BUSINESS WATCH

Bldg. materials sales rise 12% for Pacific states in '87

(Continued from page 12)
mand for building materials in the second half of 1988.

Oregon and Washington are the fastest growing states in the region with employment up about 4 percent from a year ago. Portland, Ore., in particular, has been exceptionally strong over the last year—employment is up 5.5 percent.

Until recently, these two states experienced weak business conditions. Trade and services employment throughout the region, which is less sensitive to economic changes, continued to be strong.

The cyclically sensitive manufacturing and construction sectors are up about 5 percent during the same time. With the decline in the dollar, U.S. lumber exports are up 29 percent from last year.

California and Hawaii have been strong throughout the recovery. Currently, total employment for both states is up some 3 percent from a year ago.

Construction is the strongest sector, up 7.9 percent in California and 8.6 percent in Hawaii, and points to continued demand for building materials.

The noncyclical sectors of finance and services are up about 3.5 percent. In contrast to Oregon and Washington, manufacturing has not been strong: California is up only 0.9 percent, Hawaii down 0.9 percent. California, in particular, was struck by the slowdown in the high-technology sector but is beginning to recover now.

Alaska remains very weak. Employment is down 5.2 percent from last year with sharp declines throughout the local economy. Construction employment is down 7.4 percent. Even the government sector is off 3.2 percent. The unemployment rate remains above 9 percent.

The state is still adjusting to the drop in energy prices in early 1986 with the resulting fall-off in domestic mining activity. The weakness in mining spread to other sectors of the state's economy.

Building materials sales in the Pacific states should rise much faster than the national average in 1987 due to gains in resales and strength in employment. Alaska will be the exception as it should be down sharply.

For 1988, sales should rise about 4 percent in dollar volume, down from the 12 percent rise in 1987, as the local economy will be growing slower and resales will decline about 4 percent.

The strong pace of resales in the second and third quarters of 1987 will maintain the level in building materials sales into the first half of 1988.

Takata is named executive vp of Pay 'N Pak

By an NHCN staff editor

KENT, Wash. — Richard T. Takata has been named executive vice president of Pay 'N Pak after serving as senior vp-store merchandising since June 1986, when he joined the company from Grace Home Centers West, where he was merchandise manager.

Takata is becoming Pay 'N Pak's No. 3 official, assuming a job title that has not been used at Pay 'N Pak since the departure of executive vp Monte A. Leen in April 1986 after a 22-year career there.

Chairman and ceo David J. Heerensperger, and president and coo Jerry L. Marlow, occupy the first two positions on the corporate organization chart.

In another development, the company gave additional details on the hiring of Tim Lucia, formerly senior vp-marketing of Ernst Home & Nursery (*NHCN*, Nov. 16). A press release said Lucia, named Pay 'N Pak's vp-marketing & communications in November 1987, "will direct the corporate media programs and co-op advertising, develop customer and employee relations and coordinate public relations and community activities."

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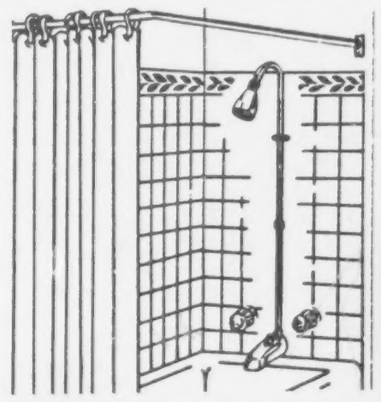

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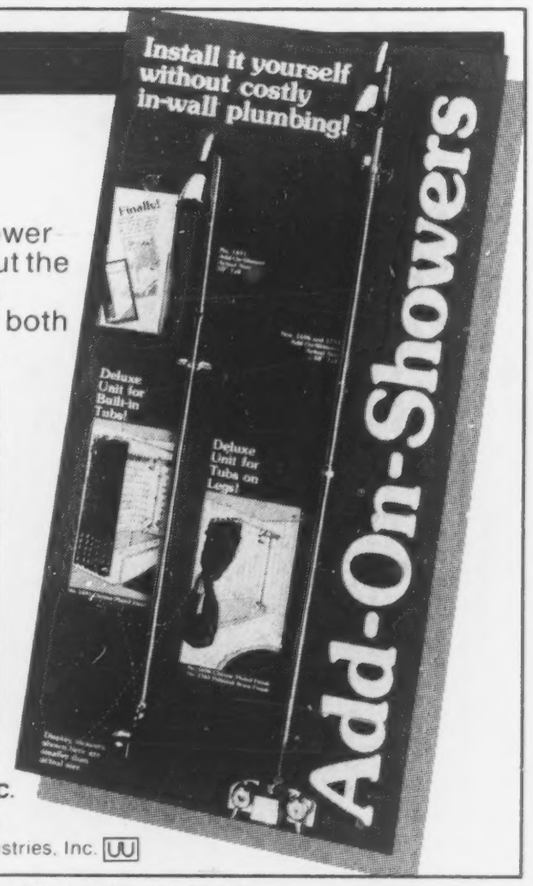

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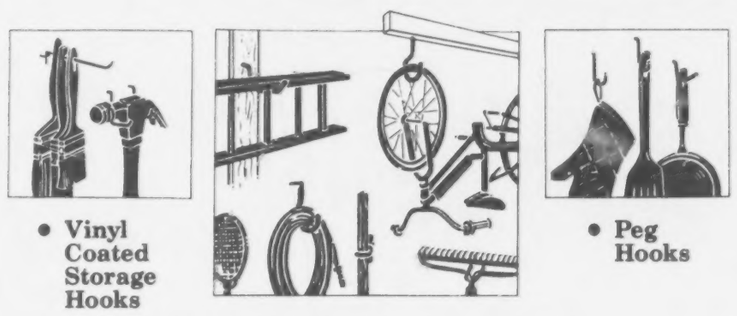

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Perspectives

OKLAHOMA AIN'T OK BUT FUTURE LOOKING BRIGHTER

By John Caulfield
NHCN staff editor

TULSA, Okla. — The license plates in this state proclaim "Oklahoma is OK." But home improvement retailers here will tell you that Oklahoma is anything but, if their businesses are any indication.

Like dealers throughout the Oil Patch in Texas, Louisiana and Colorado, Oklahoman retailers complain of price-fixated competition, flat sales, nonexistent home building and an unresponsive economy. "It's like a ghost town out there right now," said Bill Ragsdale, assistant manager for the contractor-oriented Union Building Center in Broken Arrow outside of Tulsa, of the market's housing start malaise.

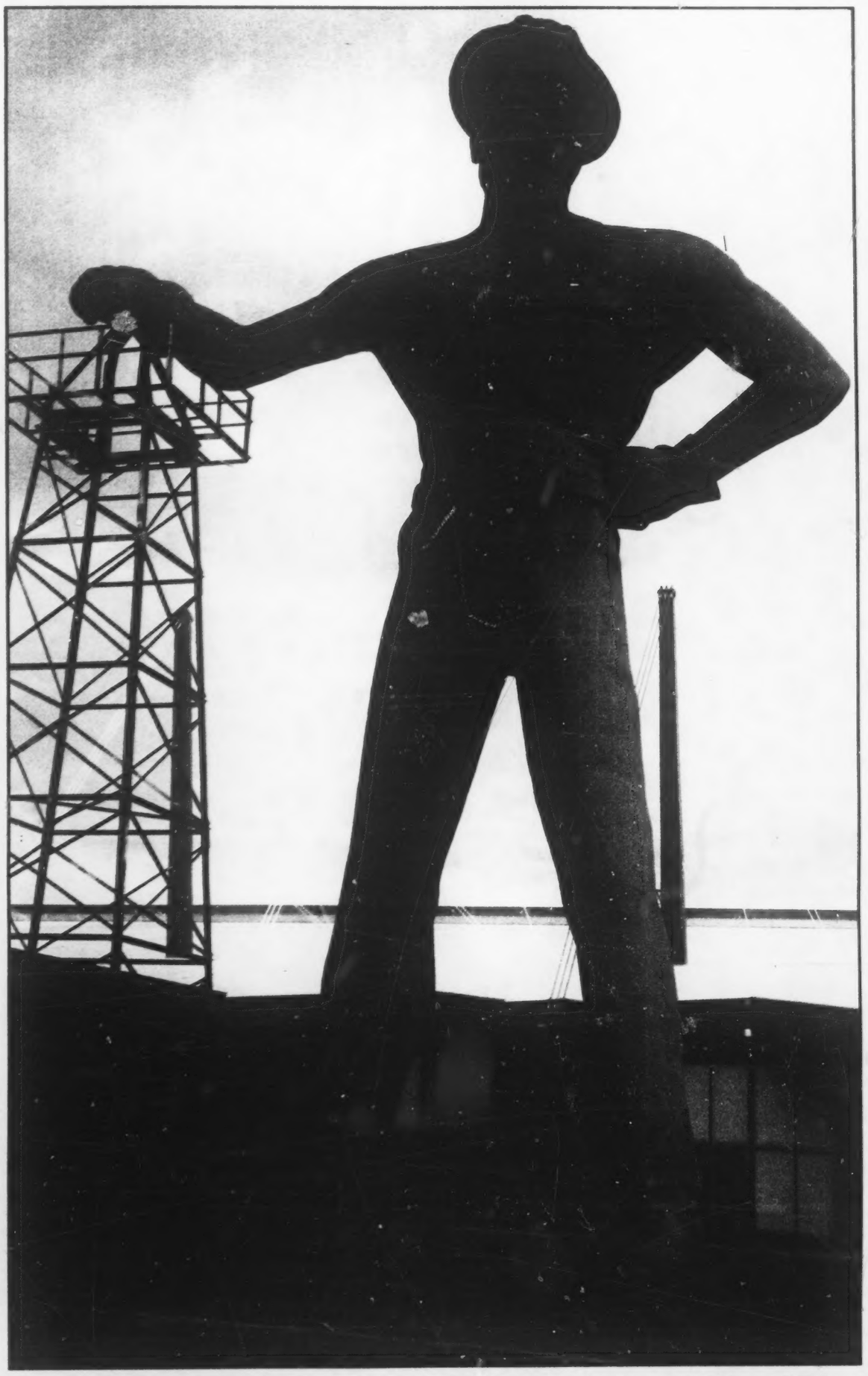
Over the past two years, lumberyards and hardware stores have been dropping like flies throughout Oklahoma, including Southeast Lumber, B&B Lumber, Tulsa Door and Trim, American Home Improvement Center, Leach's and an 11,000-square-foot Ace Best unit (all in Tulsa) as well as Caston Lumber (which is in the process of liquidating) and the nearly 100-year-old Carey Lumber outside of Oklahoma City, and the 83-year-old Dobbins-Lance in Stigler, Okla.

"There are only about seven companies left supporting themselves on home building in Tulsa, and we expect that number to drop to five soon," said Jerry Hixson, operations manager for Mill Creek Lumber, probably this city's strongest builder-based yard. Hixson said things have gotten so bad that most dealers here "don't believe any of the housing start numbers that are published; they're unreliable."

Any improvement dealers have seen in their business is tainted by the suspicion that it has come at the expense of someone else. "There's no way of knowing just how much of our improvement is from other people folding up," said the president of another Tulsa-based retail chain.

This gloom and doom prevails throughout the Oil Patch. However, dealers in this region are surprisingly optimistic about the future. Most saw retail sales of hardware and commodities expanding in their states (*see chart*). Others thought that lost home building business could be partially replaced by wooing remodelers into their stores. Unemployment is falling as some economies, through diversification into fields unrelated to energy and farming, are recovering. Optimism was particularly high among Houston dealers (*see other story*).

In Oklahoma, "things have got to get better," said Buford White, chairman of the four-unit Buford White Lumber in Shawnee. "We've bottomed out."



"The Golden Rigger," a huge statue standing in the middle of Tulsa, Oklahoma, symbolizes this city's oil economy, which lately has been sagging. The collapse in oil prices has had an indirect but adverse effect on home building, remodeling and home improvement sales.

NHCN photo

Cost reductions enacted

As oil prices have plummeted by more than 50 percent since 1981, the bitter reality of the last half decade has put a new edge on surviving dealers in Oklahoma, which was the last state to be hit by the oil crisis and will be the last state to recover, according to Tom Flint, manager of a Payless Cashways unit in Tulsa, one of three the Kansas City, Mo., chain operates here. This unit was in the process of parceling off an acre of land in mid-November.

That edge is manifested by disdain expressed towards dealers who entered the market during the halcyon days of $37-per-barrel oil, only to flop when things got bad. It is also evident in the attitude dealers take towards their customers and competition.

"We went through a boom period when anyone who could open a store opened one, even if he didn't have much 'bone structure,'" said H.L. "Hank" Hurst, the 80-year-old patriarch of Hurst Stone Builders Supply, a Tulsa masonry distributor. "Those people have been weeded out; now only the stable operators are around."

Bob Rusel, the co-owner of the 6,500-square-foot Harvard True Value, noted that many of the hardware stores that have fallen by the wayside either paid too little attention to controlling their costs or simply expanded faster than a flat economy warranted.

The prescription for keeping one's head above water in Oklahoma has varied from dealer to dealer, and has taken the form of manpower cutbacks, curtailment of new store openings and developing a niche in a market that most retailers agree is overstored.

It has also meant paying closer attention to profitability, which hasn't always been easy in a state where several large chains—Payless, Channel, Sutherland Lumber and, most recently, Builders Square—have a fairly high promotional profile.

Virtually every dealer has undergone some level of overhead restructuring in recent years. "We have cut everywhere and to the bone," said Jim Cavanaugh, manager of Hope Lumber in Tulsa, one of the few Oklahoma dealers experiencing what he called "substantial" sales gains in 1987. "We've simply improved our productivity and efficiency," including the addition of computerization four years ago.

Despite "terrible" home building activity, the 31-unit T.H. Rogers Lumber in Oklahoma City has made money over the last few years, according to executive vp Bill Payne, by cutting back store hours, closing a few unprofitable stores and virtually eliminating any debt. "We're real strong as a company, but it's been a struggle," Payne said.

Others have simply put their growth on hold. "We were looking to buy another store a year ago," said Rusel of Harvard True Value. "Thank God we didn't get the lease."

The only store T.H. Rogers will open in 1988 will be out of state, an 8,000-square-foot unit in Lebanon, Mo. White of Buford White said he has turned down a number of "tempting offers" for land sites in Oklahoma. "We're pulling down the draw strings on everything, and I just felt this was the prudent thing to do now."

"We're re-evaluating some plans we had and we've shelved the new store we were considering," added Randy Rodgers, a vice president with H.E. Leonhardt Lumber in Oklahoma City,

Texas economic turnaround meets own expectations

By an NHCN staff editor

HOUSTON — The good old days: 1982-83. People flowing into Texas like it was the second Gold Rush. Three hundred thousand housing starts in the state. Marginal unemployment. The new promised land.

Then oil crashed, and Eden didn't look so hot anymore. In April 1981, you could fetch $37.60 for a barrel of oil. By the end of 1983 it was down to $29.84. Three years later the price had sunk to $14.51, and with it the boom times politicians, businessmen and consumers thought would last forever.

After nearly four years of gnashing their teeth, Texans actually have some positive things to say about their state's prospects. This is particularly true of home improvement officials, who report that their sales over the past three to four months have improved inexplicably, possibly because of a change in consumer attitudes and confidence.

"The minute the press started reporting a turnaround in the spring, our business got better," said the executive vice president for one Houston independent building materials dealer. Roy Bierschwale, chairman of the five-unit Bison Building Materials here, who has seen Houston go through "three roller coaster rides" over the past 25

(Continued on page 24)

which operates three stores under the name "Big L." Contacted in the first week of December, Rodgers was most concerned by a newspaper article reporting a 23 percent drop in housing permits through October to 1,069 units in his market.

Drumming up retail sales

With home building in the dumper, companies like Leonhardt's—which is currently 60 percent contractor in sales—are looking to get more business from the retail side of their business.

But even with Lowe's converting its Tulsa retail store into a contractor yard (*see other story*), competition here is fierce. Sutherland's employs a warehouse-style format in its stores here and has a very strong presentation in kitchens, baths and appliances. Channel's Handy Dan stores here are reportedly being remodeled. And the market was turned on its head this year when Builders Square dropped two warehouse units into Tulsa and, by the estimation of nearly everyone here, extracted a big chink of business.

"Let's face it, Tulsa is real competitive and the pie has gotten smaller," said Flint, the Payless Cashways store manager.

Consequently, virtually every dealer here has approached his retail and remodeling customers from a different angle, or has looked to get business elsewhere. In Payless' case, the development of a commercial accounts program and the emphasis on promoting project-oriented products have helped take up the slack of a marketwide falloff in contractor sales.

Mill Creek, which Hixson said is getting "90 percent of all the jobs for homes worth over $250,000," features its strengths in millwork in its 15,000-square-foot, seven-acre location, and is the only independent here that promotes on television. However, Hixson said Mill Creek pushes quality, not price. "We'll concede that part of the business; we won't carry discount sticks," he said.

But with Builders Square and the other large chains beating the price drum constantly, some concessions have had to be made. "People come to our store for price, quality and service, in that order," said Ragsdale of Union Building Center, which gets only 5 percent of its sales from consumers. "Service used to be No. 1."

Cavanaugh of Hope Lumber in Tulsa conceded that the market is "dollars and cents right now, not personality." However, he thought offering the best price in town is shortsighted.

"Oklahoma is a good ol' boy state, but I've never believed in the philosophy that you give a better deal to someone just because he's your friend. We can't all go broke crying on each other's shoulder."

Better things to come?

As the Oklahoma market reshuffles itself, it appears that retailers here are gearing up for better things. In Tulsa, a number of dealers pointed to the planned opening of a regional office by State Farm insurance, the prospective expansion of American Airlines and the rumor that Fram is looking to build a manufacturing and distribution facility as signs that the market is regrouping and diversifying.

Hurst of Hurst Stone Builders Supply said the city's Chamber of Commerce "is fighting like hell to get other businesses here," and spoke with optimism about a recently completed trip to Japan by Oklahoma's Governor Henry Bellmon and a newly signed agreement between Tulsa and China worth $146 million.

On a less spectacular but no less important level, Buford White Lumber is one of a number of chains that will spend the ensuing months working on employee training to be ready to compete more effectively when things turn around.

Like other Oklahoma dealers who are now sanguine enough about their businesses to look forward to the future, White felt dealers "have to get out of our minds we're in a depressed economy."

Retail Hardware and Building Materials Sales

($000)

	1987	1986	% chg.
Denver	$ 749,143	$ 674,983	10.98
Houston	1,490,805	1,415,795	5.3
New Orleans	453,400	425,131	6.6
Oklahoma City	665,983	633,012	5.2
Tulsa	319,078	304,185	4.9

Source: *Sales & Marketing Management: 1987 Survey of Buying Power* *NHCN* chart

Energy Exploration Activity:

Wells Completed in The Oil Patch

Total	Texas	Oklahoma	Louisiana	Colorado
1987 (proj.)	13,868	4,900	1,935	1,200
1986	13,104	5,924	2,585	1,022
1984	27,696	10,053	6,891	1,806
1982	25,439	12,030	5,117	1,982

Sources: American Petroleum Institute; Oil and Gas Journal (1987 totals for Texas, La., and Colo.); Oklahoma Corporation Commission (Oklahoma estimates) *NHCN* chart

Housing Starts in the Oil Patch

(metropolitan areas)

	1986	1987 (est.)	% chg.
Colorado	32,300	22,200	−31.3
Denver*	19,155	9,000	−53.0
Louisiana	11,700	8,700	−25.6
New Orleans	3,772	2,825	−23.8
Oklahoma	9,600	8,700	−31.3
Tulsa	2,391	1,998	−16.4
Oklahoma City**	2,571	2,100	−22.4
Texas	95,700	59,000	−38.3
Houston	9,400	9,250	− 2.0

*Colorado Home Builders Association (Figure for Denver in 1987 represents annualized estimate through September)
**Central Oklahoma Home Builders Assn.
Source: National Association of Home Builders *NHCN* chart

Retail sales of hardware and commodities continue to expand in the Oil Patch. But while the region still accounts for nearly three-fifths of all the energy exploration and development in the country, its drilling lags behind peak levels in 1981-83. And new home construction remains dead because of overbuilding in previous years.

Denver's bust helps spur its boom, too

By Brad Altman
NHCN staff editor

DENVER— CoastAmerica's chairman Richard Bard said the franchised wholesaler is aggressively expanding its hardware stores in this market in part because of its expectations that the region's oil- and gas-related economic woes are easing.

When Denver's economy was stronger in the late 1970s and early 1980s, strip mall developers were charging $12 to $15 a square foot for tenants. That effectively locked hardware stores out because "hardware stores don't make money at $12 rents," Bard asserted.

During that boom period, Denver "was growing like crazy" but high rents kept the city "devoid of hardware stores," Bard explained.

The growth suddenly came to a halt in 1986 and now excellent retail locations can be found at $6 a square foot and less, Bard said. He hopes to open as many as 25 to 30 hardware stores—company and franchisee-owned—in the market.

CoastAmerica's development efforts in Denver underscore the fact that the state's economy is gaining strength, said Lucy Creighton, an economist at the First Interstate Bank of Denver. She said the state may gain as many as 17,000 additional jobs in 1988. In 1987, the state is expected to gain only 4,000 jobs compared to the 17,000 it lost in 1986.

She said the state's economic trou-

(Continued on page 26)

Lowe's faces two different problems in Okla. market

By an NHCN staff editor

OKLAHOMA CITY — On Nov. 5, Lowe's held a grand reopening for a 26,400-square-foot retail store offering 14,000 to 15,000 stockkeeping units that only months before was a 2,500-square-foot yard which has been retrofitted and expanded at a cost of $1.5 million.

"I think this store shows our confidence that Oklahoma City is coming back," said store manager Lowell Dillon.

Two hours' drive to the north in Tulsa, Okla., however, the North Carolina-based chain on Jan. 31 will board up an 11,000-square-foot store that has been converted into a strictly contractor unit selling commodities out of a 17-acre yard.

The store, whose annual sales plummeted to around $7 million in 1986 from $20 million three years earlier, had stopped advertising since June. "It's pretty flat here; I don't know how anyone could say things are turning around," said store manager William Sawyer.

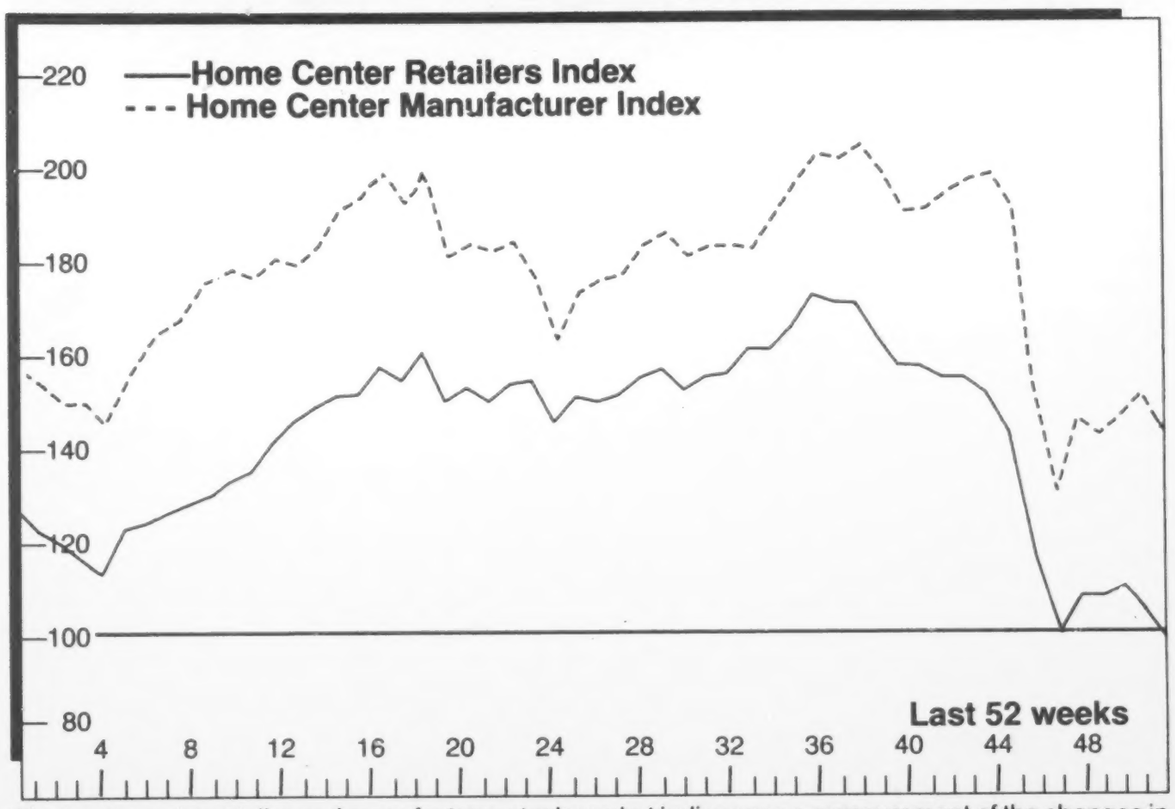
This Tale of Two Cities illustrates the unpredictability of operating stores in the Oil Patch. In a state where its two main industries—energy and farming—continue to droop, and home building, for all intents and purposes, is at a standstill, it's been hard for dealers to get a fix on exactly what the future bodes.

In Lowe's case, it was simply a decision based on store positioning: The Tulsa unit is located in what even Sawyer concedes is a miserable spot for a retail store, far off the main drags in town. The Oklahoma City site, on the other hand, is on a

(Continued on page 26)

Lowe's spent $1.5 million to expand its 2,500-square-foot unit in Oklahoma City into a 26,400-square-foot store featuring the latest in the chain's store design. NHCN photo

FINANCIAL NEWS

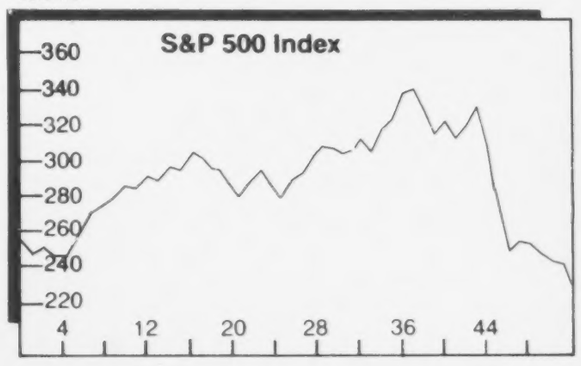


The home center retailer and manufacturer stock market indices are a measurement of the changes in aggregate market value compared to their value on December 11, 1987, which has been set to equal 100 on the index. Aggregate market value is the sum of each stock's price multiplied by its number of shares outstanding, adjusted to eliminate the effects of additions or deletions of companies to the *NHCN* stock list.

MOST ACTIVE STOCKS

Company & Market		Total 2-Week Volume	Volume Trend Change	2-Week Price Change
12-11-87		(100)	%	%
Newell Co	N	3,693	250.0	- 4.5
Nortek Inc	N	10,664	185.7	- 22.6
Natl Lumber	M	671	147.9	- 18.8
Gen Bldg Prods	M	931	142.7	- 22.7
Lowe's Cos	N	14,884	141.0	- 7.7
Pope & Talbot	N	6,139	126.1	- 6.7
Home Depot	N	23,792	112.3	.0
Insilco Corp	N	5,523	108.7	- 11.5
Natl Hardgoods	M	351	107.2	- 8.3
Boise Cascade	N	17,723	104.9	- 1.6

The Volume Trend Change is the per cent difference between the latest 2-week average volume and the previous 12-week average volume.*



PRICE MOVEMENT

Winners Company & Market		2-Weeks Ended 12-11	2-Week Price Change	Total 2-Week Volume
12-11-87		$	%	(100)
Armstrng Wrld	N	28.00	7.2	15,468
USG Corp	N	31.63	6.8	26,283
Macmillan Bloedel	M	17.00	6.3	18,345
Moore Handley	M	4.50	5.9	164
Cooper Indus	N	52.13	5.3	12,532
Potlatch Cp	N	26.50	5.0	3,968
Sherwin-Wms	N	24.00	4.3	9,302
Emhart Corp	N	19.88	3.9	7,444
Lewis Palmer	M	6.75	3.8	1,073
Union Camp	N	35.75	3.6	18,525
Losers		$	%	(100)
Gen Bldg Prods	M	4.25	- 22.7	931
Nortek Inc	N	6.00	- 22.6	10,664
Manville Cp	N	2.25	- 21.7	5,770
Strober Organiz	M	6.50	- 18.8	687
Natl Lumber	M	3.25	- 18.8	671
Waxman Ind	M	7.50	- 16.7	1,920
Zayre Corp	N	14.25	- 15.6	33,230
Stanline Inc	M	8.75	- 12.5	110
Grossman's Inc	M	4.50	- 12.2	7,787
Insilco Corp	N	14.38	- 11.5	5,523

National Home Center News

HOME CENTER MARKET SUMMARY

Company and Market		Stock Market: 2-Weeks Ended 12-11-87	Price: 2-Weeks Change Amt.	Price: 2-Weeks Change Pct.	Price: 2-Week Range High	Price: 2-Week Range Low	Price: 52-Week Range High	Price: 52-Week Range Low	Volume: 2-Weeks Shares Traded Total	Volume: 2-Weeks Shares Traded % Out	Volume: 12-Week Avg. Vol. As % Out	Volume: Trend Change	Financial Update: P/E Ratio	Indicated Divd. Rate Amt.	Indicated Divd. Rate Yld.	Latest Report: New Report	Latest Report: Period	Latest Report: Date Ended	Latest Quarter: Revenue Amt.	Latest Quarter: Revenue Chg.	Latest Quarter: Net Income Amt.	Latest Quarter: Net Income Chg.	Latest Quarter: E.P.S. Amt.	Latest Quarter: E.P.S. Chg.	Year-to-Date: Revenue Amt.	Year-to-Date: Revenue Chg.	Year-to-Date: Net Income Amt.	Year-to-Date: Net Income Chg.	Year-to-Date: E.P.S. Amt.	Year-to-Date: E.P.S. Chg.
-		$	$	%	$	$	$	$	(100)	%	%	%	-	$	%	-	-	-	$Mil	%	$Mil	%	$	%	$Mil	%	$Mil	%	$	%
Retailers																													
Gen Bldg Prods	M	4.25	- 1.25	- 22.7	5.50	4.00	12.50	4.00	931	2.33	.96	142.7	6.0	.00	.0	.....	9 mos.	08-87	19.7	16.6	.8	14.3	.19	- 17.4	49.5	21.3	1.8	38.5	.48	9.1
Grossman's Inc	M	4.50	- .63	- 12.2	5.00	4.13	11.25	4.13	7,787	2.98	1.73	72.3	14.1	.00	.0	.....	9 mos.	09-87	316.8	7.8	9.6	NE	.44	NE	819.5	7.3	11.3	NE	.53	NE
Hechinger A	M	15.25	- 1.00	- 6.2	16.25	14.25	26.50	14.25	6,622	6.06	3.61	67.9	NA	.16	1.0	.....		00-00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Hechinger B	M	16.00	- 1.50	- 8.6	17.00	15.25	26.75	15.50	358	.22	.37	- 40.5	13.7	.06	.4	.....	9 mos.	10-87	185.0	24.1	9.4	49.2	.27	28.6	553.6	23.5	29.2	49.0	.89	39.1
Home Depot	N	17.88	.00	.0	18.25	15.50	28.09	11.94	23,792	4.84	2.28	112.3	18.1	.08	.4	.....	9 mos.	10-87	364.3	44.9	9.7	148.7	.19	90.0	1079.7	46.4	38.1	135.2	.81	92.9
INTERCO Inc	N	30.25	- 1.25	- 4.0	31.50	29.50	54.00	29.50	8,786	2.21	1.27	74.0	8.8	1.60	5.3	.....	6 mos.	08-87	842.9	34.7	38.4	64.1	.90	21.6	1624.3	34.8	64.9	71.7	1.52	26.7
K mart Cp	N	27.25	- .13	- .5	28.50	24.38	48.38	21.63	71,004	3.52	1.99	76.9	8.2	1.16	4.3	.....	9 mos.	10-87	5973.3	5.0	110.1	26.1	.54	22.7	17872.0	5.9	371.0	24.8	1.82	22.1
Lowe's Cos	N	16.38	- 1.38	- 7.7	17.50	15.25	32.75	15.25	14,884	3.76	1.56	141.0	10.4	.44	2.7	.....	9 mos.	10-87	645.6	8.6	16.6	32.8	.42	35.5	1939.8	8.6	52.3	16.0	1.32	13.8
Natl Hardgoods	M	4.13	- .38	- 8.3	4.25	3.75	10.00	3.75	351	2.59	1.25	107.2	6.3	.00	.0	NEW	9 mos.	10-87	10.7	27.4	- .1	- 100.0	- .04	- 100.0	33.1	28.3	.4	- 20.0	.31	- 11.4
Natl Lumber	M	3.25	- .75	- 18.8	4.00	3.25	7.50	3.25	671	1.19	.48	147.9	NE	.00	.0	.....	*	07-87	NC	NC	NC	NC	NC	NC	81.8	NC	.4	NC	.07	NC
Pay n Pak	N	13.63	- 1.75	- 11.4	15.25	13.38	21.50	10.88	724	.72	.69	4.3	13.6	.00	.0	.....	6 mos.	08-87	112.4	3.4	3.3	200.0	.33	200.0	227.8	6.5	7.7	126.5	.77	126.5
Payless Cash	N	10.63	- .88	- 7.6	11.75	9.63	26.88	9.63	11,100	3.20	1.66	92.8	8.9	.16	1.5	.....	9 mos.	08-87	488.9	16.7	11.1	- 17.2	.32	- 17.9	1310.8	16.8	30.8	- 1.9	.89	- 2.2
Scotty's Inc	N	12.50	- .13	- 1.0	14.13	12.13	15.88	10.00	3,195	2.19	1.09	100.9	16.4	.52	4.2	.....	3 mos.	09-87	123.7	4.2	2.3	43.8	.16	45.5	123.7	4.2	2.3	43.8	.16	45.5
Sears, Roebuck	N	31.63	- 1.75	- 5.2	33.38	29.75	59.50	26.00	84,392	2.23	1.32	68.9	7.3	2.00	6.3	NEW	9 mos.	09-87	12193.2	9.1	409.0	24.7	1.08	22.7	34391.2	9.8	1087.3	34.5	2.86	31.8
Std Brd Pnt	N	19.63	- .88	- 4.3	20.50	18.50	31.88	16.13	3,832	3.40	4.20	- 19.0	14.2	.00	.0	NEW	9 mos.	10-87	87.6	2.0	4.4	4.8	.38	.0	259.6	2.6	12.8	4.1	1.14	4.6
Strober Organiz	M	6.50	- 1.50	- 18.8	8.25	6.25	15.25	6.50	687	1.13	.82	37.8	6.8	.00	.0	.....	6 mos.	06-87	26.3	3.1	1.6	6.7	.26	- 16.1	47.6	9.7	2.6	18.2	.43	- 4.4
Wickes Cos	N	8.13	- .63	- 7.1	8.50	7.25	25.00	7.25	27,757	5.80	3.14	84.7	3.2	.00	.0	NEW	9 mos.	10-87	NC	NC	18.6	- 43.6	.37	- 50.7	2644.4	- 21.3	128.7	85.2	2.62	74.7
Wolohan Lumber	M	9.00	- 1.13	- 11.1	9.63	8.88	18.75	7.75	795	1.36	1.60	- 15.0	6.6	.24	2.7	.....	9 mos.	09-87	66.2	12.8	2.7	42.1	.46	39.4	171.8	21.1	6.3	75.0	1.07	75.4
Zayre Corp	N	14.25	- 2.63	- 15.6	16.25	13.50	37.00	13.50	33,230	5.86	4.84	21.1	5.2	.40	2.8	.....	9 mos.	10-87	1601.7	21.7	21.2	- 7.4	.37	- 5.1	4300.4	20.3	120.4	147.7	2.03	147.6
Wholesalers																														
Hughes Supply	N	22.75	.75	3.4	22.88	21.75	30.25	19.75	537	1.61	1.50	7.3	9.1	.40	1.8	NEW	9 mos.	10-87	113.2	29.7	2.5	47.1	.73	46.0	318.1	21.5	6.7	31.4	1.99	25.9
Moore Handley	M	4.50	.25	5.9	5.50	4.00	9.75	3.88	164	.66	.96	- 31.3	17.3	.00	.0	.....	9 mos.	09-87	27.4	16.6	- .2	- 100.0	- .09	- 100.0	74.4	15.5	.5	- 50.0	.19	- 56.8
Lewis Palmer	M	6.75	.25	3.8	6.88	6.25	9.88	5.75	1,073	2.67	1.92	39.1	17.8	.28	4.1	NEW	9 mos.	10-87	58.9	- 1.8	.7	.0	.18	5.9	169.8	20.9	1.4	16.7	.36	16.1
Stanline Inc	M	8.75	- 1.25	- 12.5	10.50	8.75	13.31	6.19	110	.62	1.37	- 54.7	8.3	.31b	3.5	.....	9 mos.	07-87	15.7	- 4.3	.5	.0	.28	16.7	47.0	7.3	1.4	27.3	.76	31.0
Manufacturers																														
Am Consum Prods	M	10.25	- .50	- 4.7	10.25	9.75	14.25	7.88	145	.70	1.33	- 47.4	16.8	.00	.0	.....	9 mos.	09-87	11.7	27.2	.6	100.0	.28	- 17.6	31.4	21.7	1.3	160.0	.62	12.7
Am Standard	N	34.63	- .13	- .4	35.50	30.50	55.00	30.50	9,412	2.94	1.50	96.0	9.0	1.80	5.2	.....	9 mos.	09-87	840.1	9.4	31.2	4.3	.98	14.0	2497.9	12.1	92.0	- 42.6	2.87	- 33.1
Am Woodmark	M	7.00	- .50	- 6.7	7.13	6.50	17.13	6.50	967	1.40	.79	77.2	7.6	.00	.0	NEW	6 mos.	09-87	34.3	7.5	2.4	4.3	.35	6.1	66.1	9.6	3.7	- 9.8	.54	- 14.3
Armstrng Wrld	N	28.00	1.88	7.2	29.00	24.00	47.38	22.50	15,468	3.26	2.01	62.2	9.1	.90	3.2	.....	9 mos.	09-87	622.3	23.0	43.9	23.3	.92	26.0	1760.0	23.6	116.9	26.7	2.46	28.8
Black & Decker	N	14.88	- 1.38	- 8.5	16.00	14.38	26.50	13.00	15,392	2.64	1.85	42.7	15.7	.40	2.7	.....	fiscal	09-87	502.1	14.7	15.0	581.8	.26	766.7	1934.8	8.0	55.6	102.2	.95	93.9
Boise Cascade	N	63.25	- 1.00	- 1.6	64.75	57.38	86.88	48.00	17,723	6.29	3.07	104.9	12.1	2.00	3.2	NEW	9 mos.	09-87	997.0	5.7	50.4	278.9	1.70	347.4	2845.2	2.1	125.8	80.7	4.17	82.9
Certain-teed	N	24.75	- .63	- 2.5	26.00	24.13	45.75	24.13	1,378	.73	.75	- 2.7	7.9	1.00	4.0	.....	9 mos.	09-87	309.2	1.5	19.5	- 2.0	1.03	- 1.0	866.7	2.5	48.8	4.7	2.57	4.9
Champ Intl	N	31.13	- 1.13	- 3.5	32.88	27.63	44.63	21.75	42,520	4.47	2.74	63.1	8.1	.80	2.6	.....	9 mos.	09-87	1199.0	7.9	88.7	39.0	.94	38.2	3457.2	3.8	299.9	120.0	3.17	128.1
Clairson Intl	M	6.25	- .13	- 2.0	6.25	5.50	18.25	5.00	368	.72	1.18	- 39.0	11.4	.00	.0	.....	fiscal	09-87	28.2	97.2	1.2	140.0	.25	92.3	82.0	43.9	2.7	42.1	.55	7.8
Cooper Indus	N	52.13	2.63	5.3	54.00	46.75	74.50	39.00	12,532	2.51	1.67	50.3	15.7	1.68	3.2	.....	9 mos.	09-87	881.3	7.0	44.4	17.8	.88	14.3	2577.0	- .5	117.4	17.2	2.35	14.1
DeSoto Inc	N	21.25	- 1.25	- 5.6	22.50	21.13	43.75	21.13	1,204	3.05	1.73	76.3	13.6	1.40	6.6	.....	6 mos.	06-87	118.7	- 9.7	6.8	38.8	1.73	69.6	209.0	- 8.5	9.0	23.3	2.27	48.4
Emhart Corp	N	19.88	.75	3.9	19.88	17.25	26.63	15.50	7,444	1.19	.97	22.7	12.9	.80	4.0	.....	9 mos.	09-87	558.3	18.1	23.3	NE	.37	NE	1789.9	18.5	80.1	NE	1.28	NE
Georgia Pacific	N	31.88	- .75	- 2.3	33.25	29.25	52.75	22.75	34,319	3.15	2.19	43.8	8.2	1.20	3.8	.....	9 mos.	09-87	2424.0	27.0	118.0	21.5	1.10	22.2	6374.0	17.1	346.0	62.4	3.16	62.9
Insilco Corp	N	14.38	- 1.88	- 11.5	16.00	14.00	28.13	14.00	5,523	2.65	1.27	108.7	8.4	1.00	7.0	.....	9 mos.	09-87	195.7	.1	8.4	20.0	.40	48.1	544.3	- 5.0	26.8	5.9	1.27	11.4
La Pacific	N	27.13	- .75	- 2.7	27.75	24.50	39.75	21.50	8,024	2.09	1.71	22.2	9.2	.80b	2.9	.....	9 mos.	09-87	531.8	30.5	42.6	91.9	1.11	91.4	1443.5	28.4	93.7	94.8	2.45	92.9
Macmillan Bloedel	M	17.00	1.00	6.3	17.00	15.13	23.50	9.81	18,345	1.80	1.02	76.5	NA	1.10	NA	.....	9 mos.	09-87	816.8	24.2	82.7	160.9	.77	208.0	2343.0	19.0	217.7	97.9	1.99	118.7
Manville Cp	N	2.25	- .63	- 21.7	2.88	2.25	5.38	1.63	5,770	2.40	1.87	28.3	.4	.00	.0	.....	9 mos.	09-87	547.8	7.2	48.6	82.0	1.76	107.1	1540.7	5.7	132.6	107.5	4.74	152.1
Masco Corp	N	21.13	- 1.00	- 4.5	21.75	19.00	40.88	18.75	29,105	2.20	1.54	42.9	11.5	.40	1.9	.....	9 mos.	09-87	541.0	47.4	66.7	30.0	.50	25.0	1480.0	47.7	188.0	27.0	1.42	23.5
Mor-Flo Inds	M	6.25	- .38	- 5.7	6.75	6.25	14.38	6.25	178	.71	.55	29.1	NE	.01	.2	.....	9 mos.	09-87	49.1	4.0	- 1.1	- 100.0	- .44	- 100.0	154.4	4.4	- .4	- 100.0	- .14	- 100.0
Newell Co	N	23.75	- 1.13	- 4.5	25.00	21.13	43.00	21.13	3,693	3.22	.92	250.0	9.8	.84	3.5	.....	9 mos.	09-87	218.8	105.8	11.2	51.4	.75	17.2	414.8	40.2	23.8	43.4	1.80	16.9
Nortek Inc	N	6.00	- 1.75	- 22.6	8.00	5.50	17.38	5.00	10,664	6.77	2.37	185.7	10.0	.10	1.7	.....	9 mos.	09-87	352.5	23.3	.2	- 97.1	.01	- 98.5	975.9	45.0	11.4	- 58.8	.71	- 73.3
Owens Corn	N	13.50	- .38	- 2.7	13.88	12.00	32.38	9.00	24,808	6.62	3.85	71.9	NA	.00	.0	.....		00-00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Ply-Gem	A	9.38	- .88	- 8.5	10.25	9.13	18.13	9.00	3,341	2.99	1.48	102.0	8.4	.12	1.3	.....	9 mos.	09-87	84.0	41.9	3.4	112.5	.30	87.5	236.7	40.1	10.5	75.0	.91	26.4
Pope & Talbot	N	13.88	- 1.00	- 6.7	14.25	12.63	27.25	9.75	6,139	5.11	2.26	126.1	5.7	.44	3.2	.....	9 mos.	09-87	113.5	45.3	7.0	62.8	.59	63.9	320.1	40.2	20.9	182.4	1.74	180.6
Potlatch Cp	N	26.50	1.25	5.0	26.75	23.00	41.88	21.00	3,968	1.48	.91	62.6	9.0	.92	3.5	.....	9 mos.	09-87	246.9	- 1.2	22.6	35.3	.80	35.6	739.4	.9	62.7	25.9	2.23	26.0
PPG Inds	N	33.25	- .38	- 1.1	34.50	30.50	53.50	27.50	27,739	2.32	1.50	54.7	11.3	1.20	3.6	.....	9 mos.	09-87	1260.5	10.5	91.3	10.7	.76	10.1	3855.0	10.6	280.6	15.2	2.34	14.1
Sherwin-Wms	N	24.00	1.00	4.3	24.38	20.13	38.50	20.13	9,302	2.09	1.38	51.4	9.6	.56	2.3	.....	9 mos.	09-87	512.3	16.9	36.4	4.9	.81	14.1	1384.4	15.1	77.0	.3	1.71	13.2
Stanley Works	N	23.63	- .13	- .5	24.50	22.00	36.63	21.25	4,049	.93	.68	36.8	12.2	.88	3.7	.....	9 mos.	09-87	454.3	17.0	20.9	4.0	.48	.0	1304.6	17.0	60.4	9.2	1.39	5.3
Thos Inds	N	14.75	.47	3.3	15.00	13.88	21.53	13.81	987	.94	.73	28.8	9.9	.65b	4.4	.....	9 mos.	09-87	82.4	13.3	3.7	76.2	.36	71.4	241.4	9.4	12.3	28.1	1.18	28.3
Triangle Ind	N	24.00	- 2.25	- 8.6	26.00	23.50	44.00	22.50	5,456	2.40	1.41	70.2	10.8	.12	.5	NEW	9 mos.	09-87	1238.9	75.5	45.6	82.4	1.59	- 15.4	3340.3	77.3	90.0	88.7	3.09	- 9.9
Union Camp	N	35.75	1.25	3.6	36.38	31.25	48.19	26.00	18,525	2.51	1.89	32.8	13.8	1.16	3.2	.....	9 mos.	09-87	583.2	13.0	56.5	54.8	.77	54.0	1697.8	12.4	148.5	70.5	2.02	69.7
USG Corp	N	31.63	2.00	6.8	32.75	24.38	55.88	23.50	26,283	5.14	4.23	21.5	6.9	1.12	3.5	.....	9 mos.	09-87	752.8	15.1	44.0	7.1	.85	30.8	2172.3	7.1	187.1	10.7	3.63	39.1
Walter, Jim	N	59.75	.63	1.1	59.88	59.00	62.38	35.81	730	.18	.25	- 28.0	14.6	1.20	2.0	NEW	fiscal	08-87	709.4	7.1	53.5	6.8	1.87	46.1	2429.2	2.6	166.1	19.8	4.09	10.2
Waxman Ind	M	7.50	- 1.50	- 16.7	8.75	7.25	13.25	7.25	1,920	3.03	1.85	63.8	10.9	.10	1.3	.....	3 mos.	09-87	34.8	30.3	1.3	62.5	.21	75.0	34.8	30.3	1.3	62.5	.21	75.0
Weyerhaeuser	N	37.50	- .25	- .7	38.00	33.25	60.00	19.00	34,897	2.56	1.75	46.3	12.6	1.50	4.0	.....	9 mos.	09-87	1819.8	30.2	126.1	102.7	.89	102.3	5206.3	23.9	317.2	75.6	2.27	87.6

All Data are based on sources believed to be reliable, but its accuracy is not guaranteed. Every effort will be made to correct errors, when discovered, in future issues.

Reporting period
3 mos.—First quarter of fiscal year
6 mos.—First six months of fiscal year
9 mos.—First nine months of fiscal year
Fiscal—Fiscal year
NEW—New report since last issue

Last 52 Weeks

General Field Footnotes
NA—Not available or not applicable
NC—Data required for calculation currently incomplete in our files
NE—Negative earnings invalidate calculations
NM—No meaningful figure
a—Under dividend amount, indicates a stock dividend
b—Indicates cash plus stock dividend when applied to dividend amount column

P/E Ratio—Price/earnings ratio
E.P.S.—Earnings per share

Market
N—New York Stock Exchange
A—American Stock Exchange
O—NASDAQ Over-the-Counter
M—NASDAQ National Market

*Two-week average volume equals the number of shares traded divided by the number of shares outstanding during the latest two-week period. Twelve-week average volume equals the number of shares traded divided by the number of shares outstanding over the previous 12 weeks.

All earnings data and all related calculations using earnings data use primary earnings from total operations and after taxes. Earnings are before extraordinary items, when such items are applicable.

Data and Table Provided by Media General Financial Services Inc., Richmond, Va. 23219

Profitable tool rental market catches dealers' attention

(Continued from page 1)
independent Sandwich Lumber, Sandwich, Mass., is one of several dealers who recently set up a separate rental center stocking medium-to-heavy equipment including hand tools, power tools and lawn and garden equipment.

"I needed to bring in new customers and give my existing customers an extended service," said Dunham, who opened Sandwich Tool Rental last January.

In just nine months his initial $70,000 investment has paid for itself more than twice over, according to Dunham. He has already auctioned off the original tools, replaced all equipment and increased his inventory to $125,000.

The business, now employing five people, has also outgrown its original space, so the company will erect a new 5,000-square-foot center this spring.

Serving the homeowner less experienced in using rented equipment requires offering more advice and maintenance, since DIYers commonly misuse tools.

Some dealers, like Grand Rental Station in Virginia Beach, Va., find that the abuse of chain saws is such that they make little profit and merely keep them in stock as a service.

"People really don't know what tools are out there or how to use them and might rent the wrong tool," said Paul Hladick, manager of Sandwich Tool, which gets 30 percent of rental sales from consumers. "We have to educate them for rental."

To tap this homeowner market, American Hardware Supply, the Butler, Pa., co-op, designed the Grand Rental Station program as part of its store of the future offering.

The program, launched in 1982, now has 60 dealer-members who, for a license fee of $500, can take advantage of its co-operative buying and complete marketing package.

Its first Grand Rental Station prototype was a 6,400-square-foot store of the future opened in Virginia Beach, Va., on July 19. It resembles a turn-of-the-century railway station with tools, hardware, power equipment and party goods displayed in separate departments.

"Historically, as rental centers grew owners just added more and did not put much emphasis on display," said Bruce Doyle, the store's manager. "We've achieved a breakthrough here [because] people come in to look and see what we have."

American Hardware is now interested in expanding the inventory of resale items such as sheets of sandpaper and chain saw oil. At Sandwich, these items make up 50 percent of total revenues.

Sandwich's first priority in 1988 will be to add larger equipment—such as a small bulldozer and possibly trailers and trucks as part of a Ryder Truck franchise program—in response to its contractors' demands.

Mid-Cape Home Centers in Orleans, Mass., has expanded its rental center to add lawn mowers and string trimmers. But floor sanders and edgers are still the most popular rental item.

But for others, like Hughes Rental Center, Charleston, S.C., adding the heavier items has brought problems. The company recently felt increased competition from the larger dealers like Hertz who specialize in the heavier equipment, and brought prices down.

"Having three bob cats at $16,000 apiece sitting idle in the yard takes a bit out of the profits," said John Burn, a vp at Hughes Rental Center.

Others said that although rental centers complement hardware and lumber sales, they need supervision.

Paul Giunta, president of Shore Hardware, Somers Point, N.J., was forced to sell his rental center in August after 3½ years.

"The problem was absentee management," said Giunta. "Even though it was in another building 50 feet away, I couldn't devote the time."

P.F. O'Connor opens largest U.S. warehouse

(Continued from page 3)
The warehouse store hopes to draw customers from the wealthy North Shore communities of Danvers and Peabody. But traffic congestion to the south and heavy competition in the Saugus market will make penetration tough.

The immediate residential area of Revere, however, is becoming more affluent, as condo developers renovate the waterfront sites.

The cavernous store has a number of strengths in kitchen and bath and millwork. But it is currently hampered by poor lighting which, together with the original black warehouse racking, detracts from the original displays. This appears a temporary problem as the company's full-time electrician is currently installing under-rack lighting and is adding display spotlights.

The main power aisle, as wide as a two-lane highway, has decorating products on the right and electricals on the left to draw people into the store. The lighting section has been so successful here that the category will be extended into a full lighting cloud, with security lighting being added to the mix, said merchandise manager Tom Hardy.

Park benches can also be found in these aisles. The benches were added in response to commments from Isabella O'Connor, the president's mother, after she had a long walk through the store.

O'Connor intends to make full use of the 47-acre site, on which sits another 300,000-square-foot warehouse that will be used for an Andersen window assembly and a prehung door plant. The company is also looking for a tenant for the remaining space. Outside there is a drive-through yard adjacent to the parking lot.

P.F. O'Connor will begin remodeling five of its other stores in 1988.

Management group to buy Wickes Lumber through LBO

(Continued from page 1)
Hagen, the buyout team is composed of vp-marketing William Hensler; Mervyn Benjet, vp-finance; Rick Morphet, vp-human resources; Richard Buck, eastern regional vp; Frank Chambers, north central regional vp; and Lee Pawluk, southern regional vp.

"We're worrying about the next month and getting this closed," said Hagen. "We have a great relationship with [Wickes chairman] Sandy Sigoloff and his people."

In a statement to analysts Oct. 22, Sigoloff said Wickes sought to sell Wickes Lumber and two other companies—an apparel and a hosiery concern—for more than their estimated $600 million book value. Wickes would use the proceeds to buy back an undetermined amount of publicly traded Wickes common stock, Sigoloff said. Wickes' common was trading at 9⅝ on Dec. 15.

The three entities Wickes wants to sell had total sales of $1.8 billion, the lion's share of which came from Wickes Lumber. *NHCN* estimates Wickes Lumber will post 1987 sales of $1.1 billion for the year ending Jan. 31, 1988. Fiscal year 1986 sales were $1.02 billion, according to Julsen.

The proposed sale would leave Wickes Cos. with 120 Builders Emporiums and Orchard Supply units, as well as automotive, industrial, wall covering and decorative products manufacturing facilities.

Besides Hagen's group, Wickes Lumber was evaluated by a number of possible buyers, including foreign concerns who, according to a source familiar with these negotiations, didn't understand the cyclical nature of Wickes' business—50 to 60 percent of which comes from contractors—and backed off.

A number of home center chains—Grossman's, Lowe's, Erb Lumber—reportedly sought pieces of Wickes Lumber, but the parent was intent on selling the chain whole.

"We're very pleased the management group at Wickes Lumber was able [to strike this deal]," said Paul Hylbert, president of Sequoia Supply, Irvine, Calif. Hylbert and Sequoia's senior management bought out the lumber and building materials distribution company from Wickes Cos. in March.

Florida legislature gives the axe to service tax

(Continued from page 1)
Florida an added $1.3 billion needed to maintain its infrastructure in light of the state's rapid growth.

It is also significant that Florida does not impose a personal income tax on its residents and has historically looked outside its residential base for revenues.

Those who have kept a watch over the progress of the tax are relieved now that the repeal is reality. There is, however, concern that other states might attempt to adopt similar measures.

"[Repealing the tax] was exactly the right thing for Florida to do for lots of good reasons," said Jack Kraft, vice chairman of Leo Burnett Advertising, Chicago, whose clients include Black & Decker. "The situation in Florida will cause states to seriously consider this approach."

Reaction against the bill had been instantaneous. By May many major companies announced plans to cut back or eliminate advertising in the state, and organizations began moving meetings and conventions out of Florida.

In June, three national advertisers, including Rust-Oleum Corp., based in Vernon Hills, Ill., ordered networks to black out their national television campaigns in Florida. The tax went into effect July 1. Two weeks later, the Florida Supreme Court ruled it constitutional. The tax was the subject of three special legislative sessions. Revisions of the tax were submitted by both the Florida Senate and House of Representatives.

In October the legislature passed a bill that would have allowed voters to decide the fate of a revised measure through referendum on the presidential primary ballot. This was vetoed by Martinez, who wanted a complete veto.

Meanwhile, a number of manufacturers, including Owens-Corning Fiberglas, filed a lawsuit challenging the constitutionality of the tax.

Joe Doherty, vice chairman of the Association of National Advertisers (ANA) and vp-marketing communications for Owens-Corning, was elated about the repeal, and commented that "Florida thought this was a good way of generating revenue without having to face the voters."

Of the 23 states he said have considered a service tax, most have dropped the idea. Doherty doubts many states would impose a tax on advertising. "The problem with Florida is that it tried to tax services out of state," he said.

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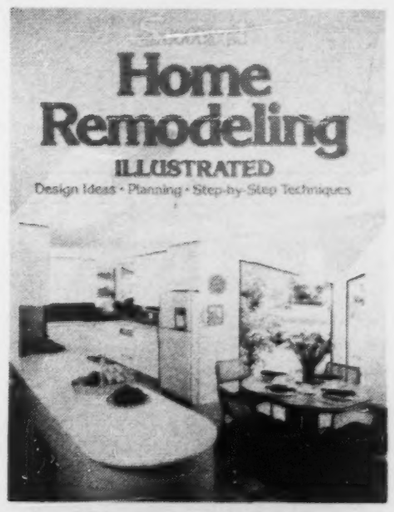

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Vol. 14, No. 1 $2 a copy The newspaper for retailers serving homeowners and contractors. Published by Lebhar-Friedman Inc. January 11, 1988

1987 Net Margins
(First 9 Months)

	1987	1986
Strober Organization	5.7	5.5
Hechinger	5.3	4.4
Wolohan Lumber	3.7	2.5
The Home Depot	3.5	2.2
General Building Pr.	3.5	3.2
Pay 'N Pak[1]	3.4	1.6
Lowe's	2.7	2.5
Payless Cashways	2.4	2.8
Scotty's[2]	1.9	1.3
Grossman's[3]	1.4	0.6

[1] Six months ended August 31.
[2] Three months ended September 26.
[3] Before extraordinary items.
Source: Company reports. *NHCN* chart

Home centers achieved healthier net margins in the first three quarters of 1987 than for the same period last year.

Home centers post healthy 1987 numbers

By Phillip M. Perry

NATIONAL REPORT — With the new year now upon them, home centers can look back on what has been, for the most part, a healthy and satisfying 1987.

The stock market crash of October did not spare the industry. Yet for the year as a whole, most retailers large and small could boast that:

- Sales kept pace with or increased over those of 1986;
- Net margins improved;
- A lower corporate tax rate mandated by The 1986 Tax Reform Act had a major positive impact on earnings;
- Serious cuts in overhead expenses helped bolster bottom lines;
- There were few perceivable changes in shopping patterns as a result of the October stock market crash.

(Continued on page 71)

Lowe's closes 16 stores in oil patch due to economy

By Ariane Sains

NORTH WILKESBORO, N.C. — Citing continued depressed conditions in the oil patch, Lowe's has closed 16 of its stores in the region, putting 400 people out of work.

"We made a valiant effort to hold on in the oil patch," said Cliff Oxford, Lowe's vp-corporate relations, "but we just don't anticipate a turnaround. We closed the stores that we did not think had a potential for profitability."

Lowe's expanded its reach into the oil patch by buying 23 stores from Boise Cascade in 1985. Of the stores being closed, 12 were part of the Boise acquisition. The closings

(Continued on page 72)

In November, Lowe's was clearing out the merchandise from its Tulsa, Okla., store that was being converted into a strictly contractor yard. This is one of 16 units Lowe's was shutting down in the region. NHCN photo

Farm belt firms see turnaround, but insurance hikes nix any gains

By Gary S. Ruderman

GREENFIELD, Iowa — It's a tale of two cities. Actually, one town and one city.

In the Midwest, 1987 was a year of retrenchment for chains, a year of growth for some independents and another year of barely hanging on for the rural yards and home centers.

Late in December, 18 rural home center and lumberyard dealers from southwest Iowa had their annual Christmas dinner in this town 50 miles west of Des Moines, and on that cold Saturday night they had something to celebrate.

After years of struggling because their farmer-customers were hurting, the independent home center dealers in this agricultural market had an up year.

Any joyousness, though, was tempered a week earlier when dealers received their new health and accident insurance premiums. The increased premiums wiped out any sales increases for 1987.

(Continued on page 20)

Kuwait becomes partner in Western Lumber

George McCown, a partner in McCown DeLeeuw & Co., said his firm sold off Western Lumber to facilitate its expansion.

By Brad Altman

NATIONAL CITY, Calif. — A company in which the government of Kuwait owns a majority stake has taken possession of Western Lumber Co.'s 11 retail stores and wholesale complex here. Georgetown Industries of Charlotte, N.C., signed the contract agreeing to purchase Western for $40 million on Dec. 16.

The stores and a 35-acre distribution, milling and truss facility, which account for the bulk of Western's $125 million annual sales volume, will continue to use the Western Lumber name and format.

The 600 employees will be led by the existing management team headed by president Allen Quimby.

For Georgetown Industries, the acquisition is a further step in its diversification and growth strategy, said Gerald Anderson, Georgetown's vp-finance.

"Our strategy has been to look for acquisitions which would diversify our company and would have two main characteristics: a good performance record and good management," said Anderson. "Those characteristics we saw in Western Lumber."

The 13-year-old Georgetown Industries' other companies are Georgetown Steel Corp., which runs a steel wire rod mill in Georgetown, S.C., and Waccamaw Corp. of Myrtle Beach, S.C., a chain of 12 pottery stores specializing in housewares and home decor items which Georgetown acquired in July 1987. Stores are located in South Carolina, North Carolina, Georgia, Virginia and Illinois.

The ministry of finance of Kuwait—an oil-rich Arab nation about the size of New Jersey situated between Iraq and Saudi Arabia—owns 93 percent of Georgetown Indus-

(Continued on page 71)

Seasonal fare gives dealers green Xmas

By Suzanne Floyd

NATIONAL REPORT — Home center retailers usually can't predict a white Christmas. But those carrying seasonal fare found the holidays a little greener from added sales.

In a year when overall retail sales have been erratic and holiday sales for major department stores were less than spectacular (estimated to have risen only

(Continued on page 71)

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Wall St. panic stymies buyout of Busy Beaver stores 19

As steel door sales surge, displays gain prominence 41

Geometrics help shape up windows 41

NEWSBREAKS

WILLAMETTE INDUSTRIES BUYS BOISE CASCADE PLANTS: The Portland, Ore., producer bought facilities in Moncure, N.C., and Chester, S.C., for an undisclosed sum. Its Southern operations now run seven plywood plants, five sawmills, two particleboard plants and one medium density fiberboard plant.

CHANNEL APPOINTS NEW EXECS: The Whippany, N.J.-based chain named Jerry Lorenc as its new vp-store planning, and promoted six other officials into assistant vp slots.

INDUSTRY UPDATE

Standard Brands recoups stock

TORRANCE, Calif. — In a maneuver intended to defend against hostile takeovers, Standard Brands Paint Co. said it will pay $25 per share for six million of the 10.5 million shares of its common stock which were tendered before a Dec. 18 deadline.

Spokesman Craig Walker said the company obtained financing for the stock purchase. The tender offer, however, was oversubscribed, meaning that shareholders "will get cash for 60 percent of their shares and the remaining 40 percent of their shares will be returned."

The recapitalization of Standard Brands makes the company less "asset heavy," Walker said. This could make it less likely to attract a suitor.

In another development, Standard Brands' contract negotiations with a San Diego County labor union have "gone very smoothly," Walker said. A strike failed to occur in San Diego County in December despite a statement by union officials that a work stoppage there was a "real possibility" (*NHCN*, Dec. 14, 1987).

Grossman's protects tax gains

BRAINTREE, Mass. — In an effort to protect one-time tax benefits stemming from its financial reorganization, Grossman's has extended restrictions on stock accumulation through 1990.

Grossman's said in a statement that the amount of shares an individual may own, subject to certain exceptions, is 5 percent. Before company directors extended the stock restrictions, an individual could own only 3.25 percent at year end.

A statement said "the action was taken to protect tax benefits available to the company, principally net operating loss and investment tax credit carryforwards in excess of $200 million."

Manville trust fund begun

DENVER — A court will allow Manville Corp. to make its first payment into a $2.5 billion trust fund to be established as part of its bankruptcy reorganization plan.

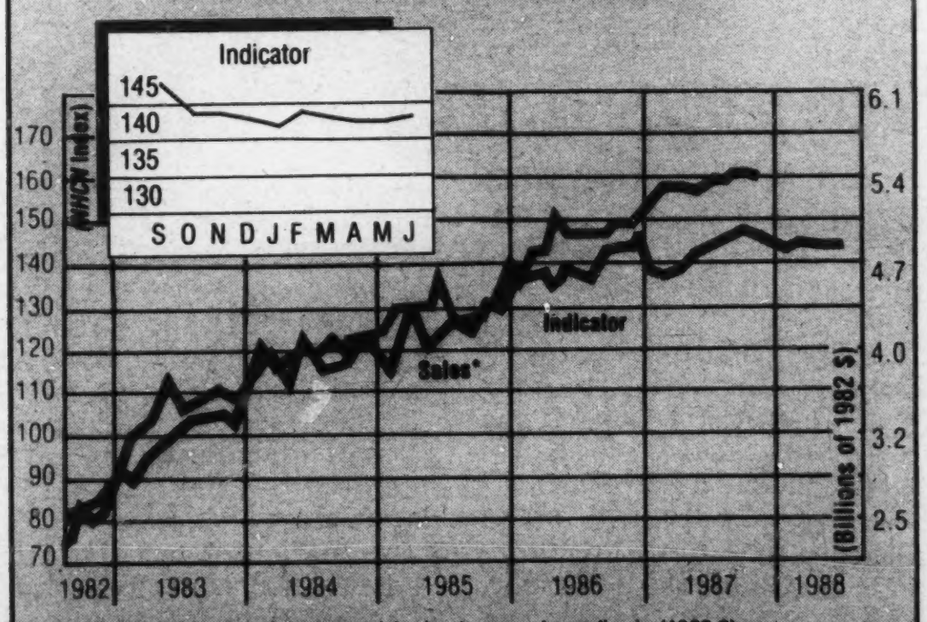
The appeals, made by a group representing people who claim to have been injured by asbestos, and by a Denver building materials distributor, had prevented Manville from making the first payment of $150 million into the fund. It is designed to be used to pay asbestos-related personal injury claims.

But the company successfully argued that making the payment now would allow "a more expeditious settlement of claims," under its reorganization plan.

Manville also argued that payment now would "allow the trust to develop its initial operations and investments," according to a spokesman.

Under the company's reorganization plan, it must have $815 million in the trust fund when it comes out of bankruptcy. Payments into the fund will continue for 20 to 25 years, until the $2.5 billion mark is reached.

NHCN Leading Sales Indicator



*—Monthly retail trade building materials, hardware and supplies in (1982 $).

Indicator—represents an estimate offuture building material retail sales (adjusted for inflation) relative to Jan. 1980, based on current levels of housing starts and resales, personal income, interest rates and related data.

The NHCN Leading Indicator is projecting a softening in building material sales through the first half of 1987. Housing starts are declining, pointing to a slowdown in sales in the months ahead.

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Frank O'Dowd, former NBMDA executive vp, dies of cancer

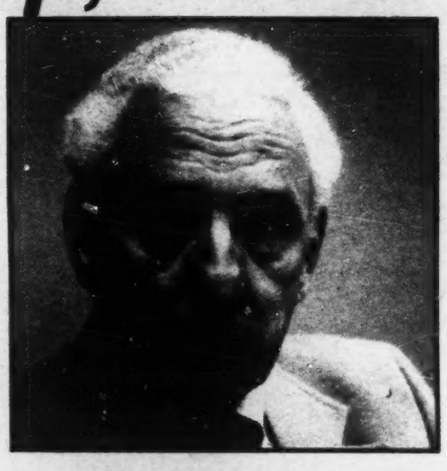
By an NHCN staff editor

WILMETTE, Ill. — Frank E. O'Dowd, a former president and executive vp of the National Building Materials Distributors Association (NBMDA) and a longtime employee of the Edward Hines Lumber Co., died of cancer at his home Dec. 16. He was 67.

O'Dowd, a longtime member of the NBMDA, rose to the association's presidency in 1974 and in 1977 returned to become executive vice president, the association's top staff position. He served in that capacity until he retired in 1985.

"Frank was an exceptionally personable man, . . . a great guy to be around," said Al Leitschuh, his successor at NBMDA.

O'Dowd started his career as a salesman in the early 1950s with the Edward Hines Lumber Co., a Chicago-based retail and wholesale chain. He rose to the post of marketing manager with Hines before taking the NBMDA job.



Frank E. O'Dowd, former president and executive vp of the NBMDA and employee of Edward Hines Lumber. NHCN photo

"He had an unusually distinguished charitable and civic career," said Edward Hines, president of the chain. "He was highly respected in our company, a person of the highest personal integrity and was very widely respected and well known in the industry. He was constantly helping other people."

Always active in the church, O'Dowd, his wife Peggy and their nine children were named Roman Catholic Family of the Year in 1962 by the National Catholic Welfare Conference, according to Frank Hannigan of the Catholic Archdiocese of Chicago. At the time of his death O'Dowd had completed the first of three years' training to become a Catholic lay deacon.

O'Dowd was active in Republican politics in suburban Wilmette, Ill., and was a village trustee of Wilmette for the last eight years.

He is survived by his wife, five sons, four daughters, a sister and seven grandchildren.

Memorials may be sent to the University of Chicago, Hemotology/Oncology Department, Head and Neck Cancer Research, Box 420, Chicago, Ill., 60637.

Hodnik takes on Ace merchandising role

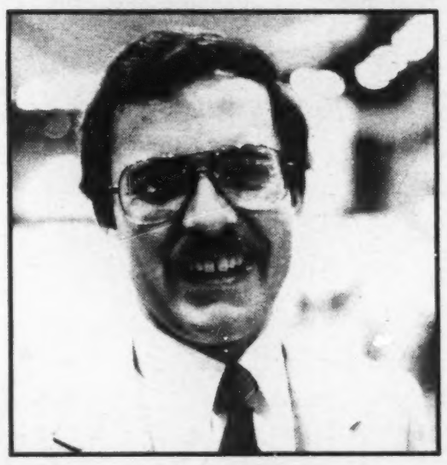
By an NHCN staff editor

OAK BROOK, Ill. — David Hodnik, a 15-year-veteran of Ace Hardware Corp. and its vp-finance and treasurer, was named the co-op's senior vp for merchandising, advertising, finance, treasury, insurance and MIS.

The 40-year-old Hodnik, who prior to his new responsibilities was the third-ranking official at the buying group, spent the last three months working in merchandising and advertising with Ace president Roger Peterson.

Peterson took over the merchandising duties following the August firing of merchandising and advertising vp Frank Szymanek (*NHCN*, Sept. 7, 1987).

Ace's board approved the appointment Dec. 4.



David Hodnik, Ace Hardware senior vp-merchandising.

NHCN photo

Ace vendors contacted by *NHCN* said they were acquainted with Hodnik but that was the extent of their knowledge about him. Neither Hodnik nor Peterson was available for comment.

Ace, the nation's second largest hardware wholesale cooperative with 5,000 dealer-members and more than $1.1 billion in annual sales volume, appears to prefer shifting its management around to vacated posts, regardless of previous skills. For example, Lee Johnson, a senior merchandise manager, was promoted to manager of advertising in late summer 1987. Paul Ingevaldson, the vp-MIS, last year took on the added responsibility for distribution.

Hodnik joined Ace in 1972. He was named corporate controller in 1976 and in 1979 became a certified public accountant. He was named vp of finance and treasurer in 1982.

A graduate of Western Illinois University, Hodnik is married with three children.

Kiln blaze leaves 22 workers in the cold

By an NHCN staff editor

MELLEN, Wis. — A multimillion dollar fire here destroyed five out of eight hardwood drying kilns and left 22 of 30 employees without a job here just before Christmas.

Thirty fire fighters from five volunteer departments fought the 16-hour blaze Dec. 19 at Superior Kilns in this town (pop. 900) about 70 miles southeast of Duluth, Minn.

The fire destroyed most of the company's drying capacity, fork lifts and all the planing and molding machines, according to Mellen Volunteer Fire Chief Paul Jokinen. Firefighters were able to save two other buildings and another kiln with an estimated $250,000 worth of oak and maple in it.

Also saved were several acres of cut lumber poised to enter the kilns.

Jokinen said fire started in one of the drying kilns but was contained in the sealed shed for at least an hour. The first alarm came at 3:03 a.m., and other departments were called in at 3:20 a.m. Fire fighters from Mellen didn't leave until late in the evening.

He put the damage estimate at $1 million to $3 million.

Sid LaVoi, Superior's plant manager, said he saw the fire's glow from his home in town before rushing to the plant. LaVoi said the five-year-old company has a 350,000-board-foot capacity that sprawls over five acres. He said 22 of the firm's 30 employees have been laid off.

"There's a good possibility it'll be rebuilt," said LaVoi.

Superior Kilns is owned by Midwest Lumber, a Minneapolis hardwood supplier to the furniture industry.

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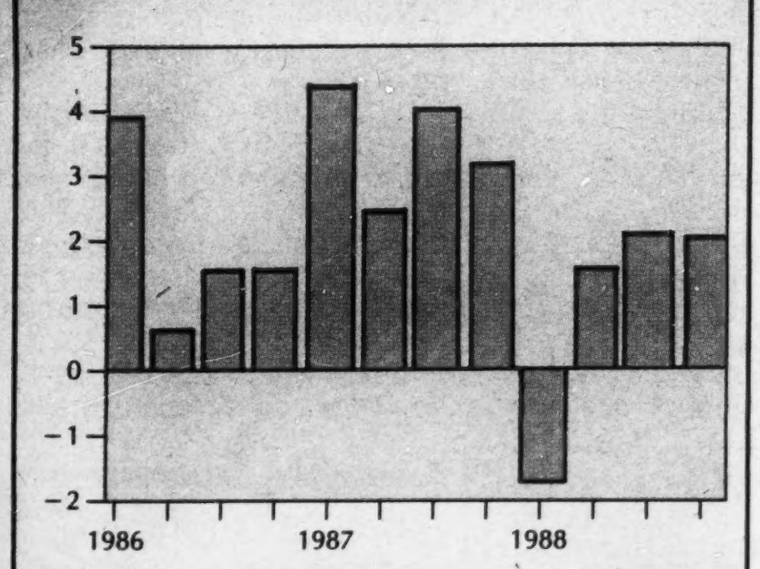
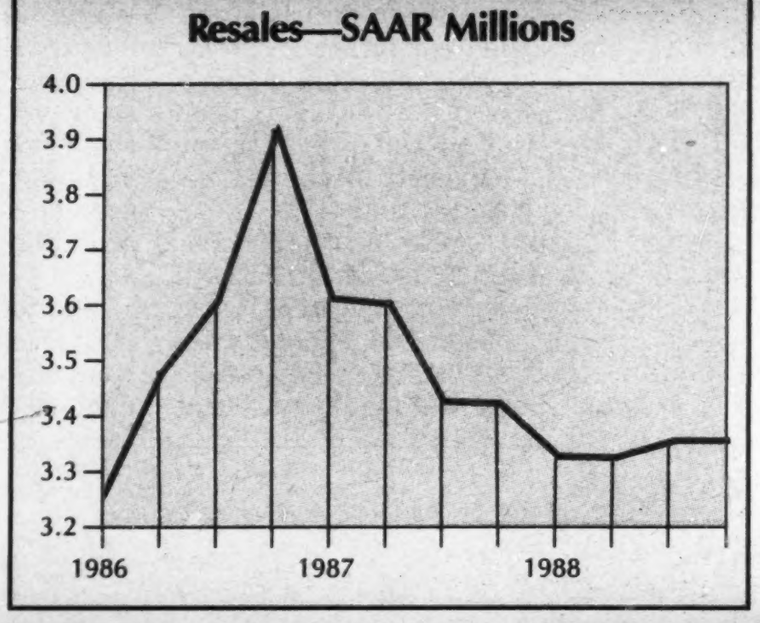
Business Watch

Section 4

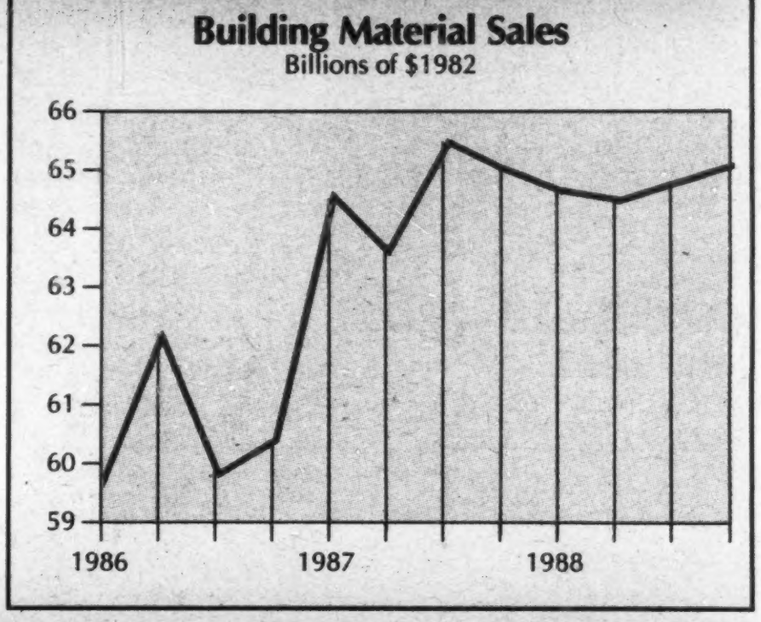
While the economy slows . . .



. . . Resales remain near 3.3 million . . .



. . . Keeping building material sales strong



Building material sales to rise despite consumer debt level

By Richard E. Mount
Special to NHCN

Building material sales are expected to rise 5 percent in 1988, down from the 8 percent gain in 1987. Adjusted for inflation, sales should match the record high in 1987.

Consumer spending, the linchpin of the current expansion, will begin to slow. Consumer debt is at a record high, limiting additional consumption via credit. The softest consumer market should be autos, which must adjust for the sales promotions of recent years. Total real consumer spending is likely to be up only 0.7 percent in 1988 versus 1.9 percent in 1987.

Richard E. Mount

Inflation will be headed higher, with the Consumer Price Index up 4.5 percent against 3.7 percent last year. The lower dollar raises imported prices and allows domestic producers increased pricing flexibility. Labor markets are tightening as well, putting upward pressure on wages. The current unemployment rate is 5.9 percent, down from the 6.9 percent level a year ago.

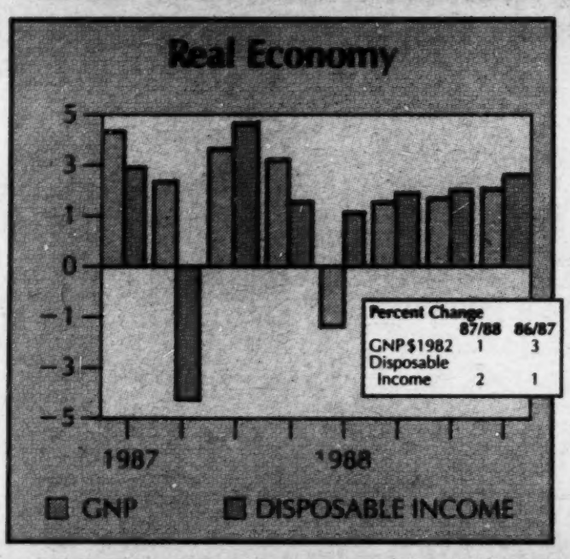
Mortgage rates will be turning up in the second half of 1988. The Federal Reserve followed a stimulative policy in the aftermath of the October stock market drop, but will begin to tighten when inflationary pressures start rising and fears in financial markets ebb.

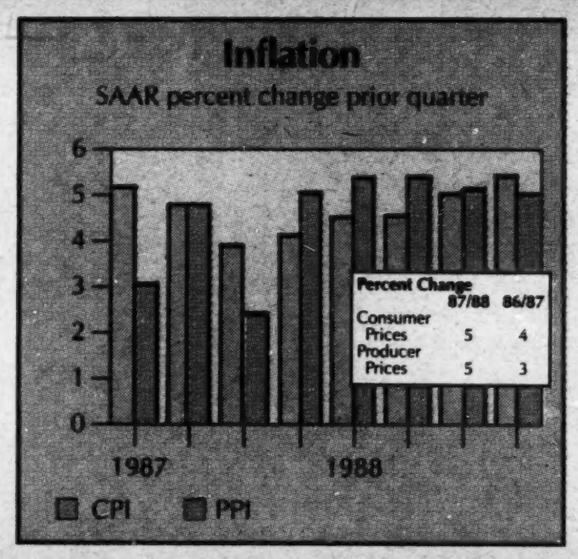
Housing starts continue to decline. Most of the weakness will be in multi-units, however, a less important market than single units for most building material retailers.

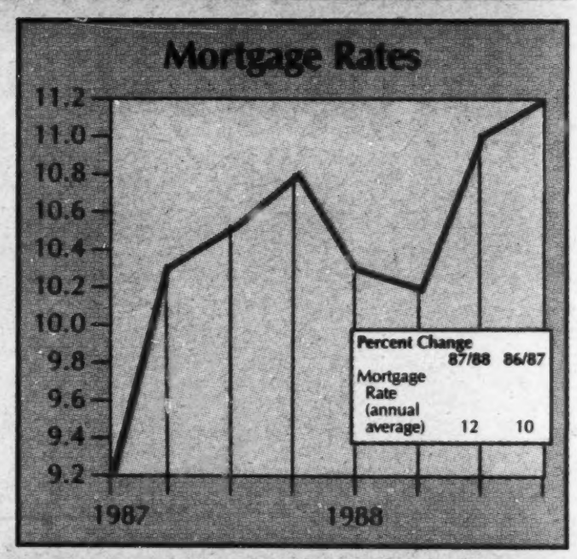
Resales are expected to do reasonably well in this economic climate—down only 5 percent. The gap between new and existing home prices has widened to about 20 percent (historically it has been closer to 5 percent). With consumers looking to put their finances in better shape, demand should shift from new homes to less expensive resales. Resales remain the major market for building materials retailers.

Richard E. Mount is senior economist and manager of housing and construction material research for Merrill Lynch Economics

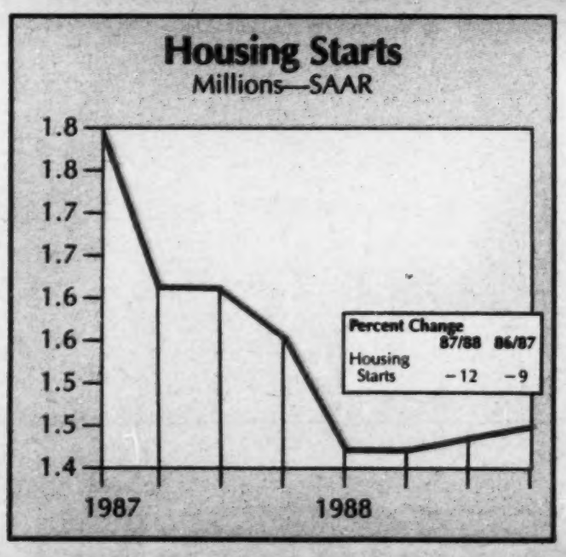
General Business Conditions

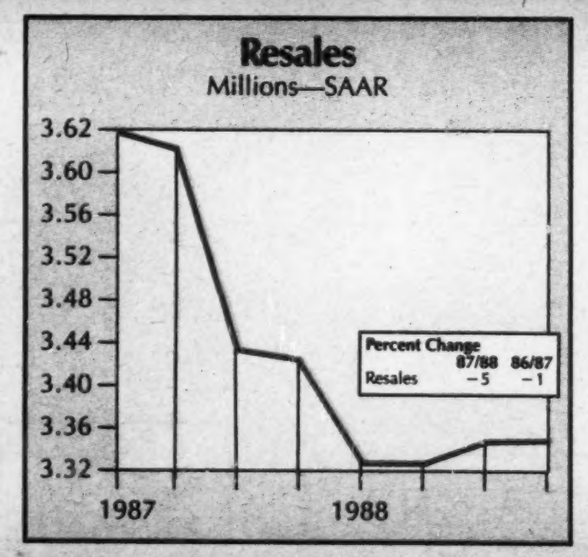


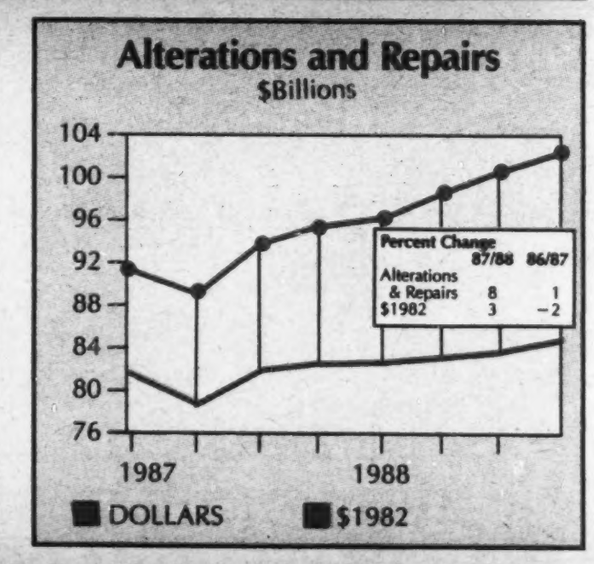




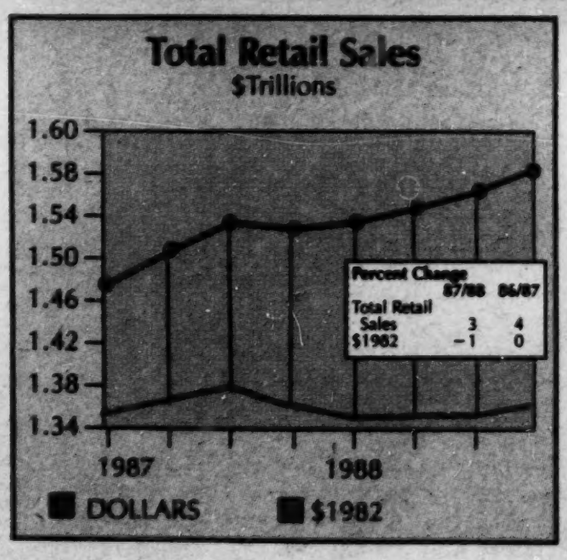
Housing

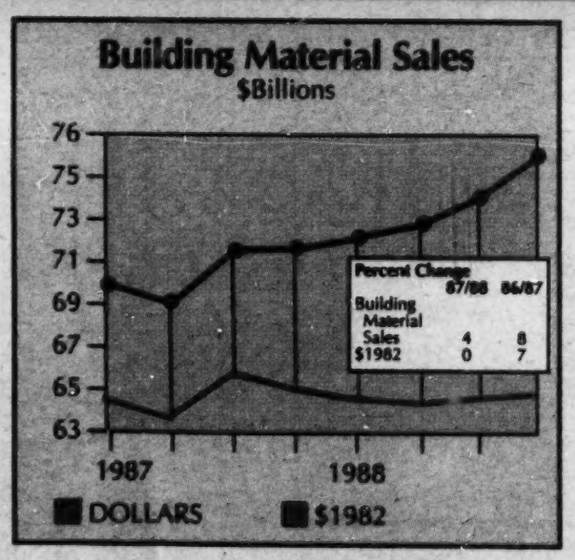


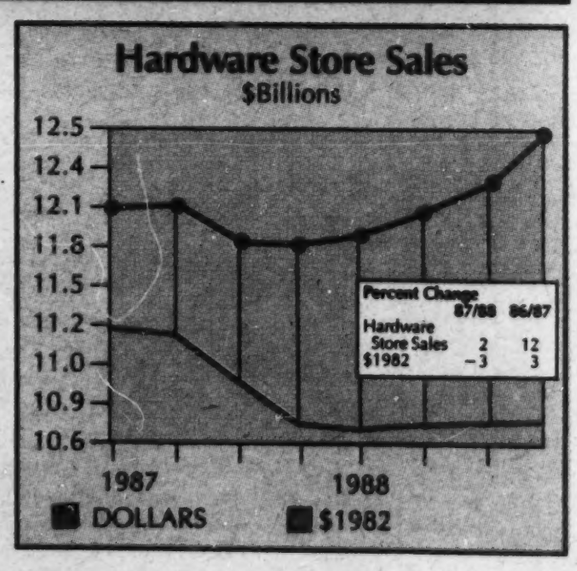




Retail Trade Activity







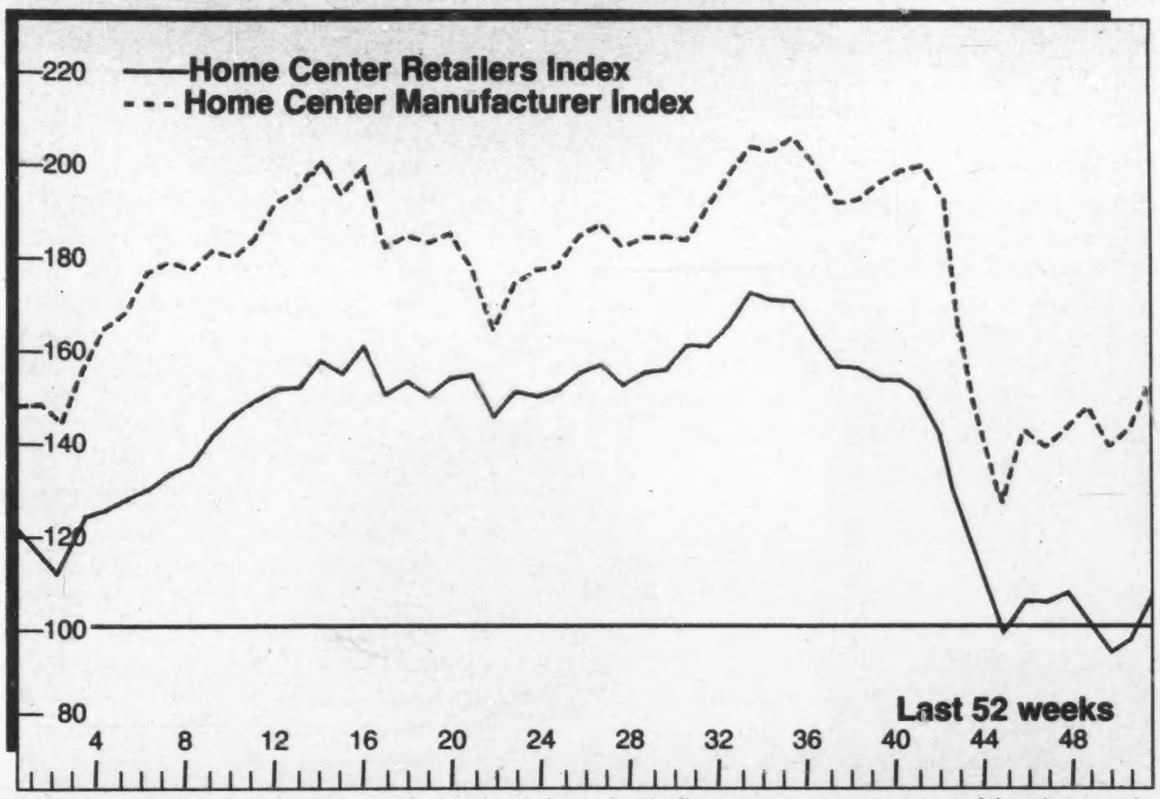
Data: Department of Commerce
Bureau of Labor Statistics
National Association of Realtors
Department of Housing and Urban Development
November 16, 1987

The Home Center Industry Outlook runs in two parts, in alternate issues. The first part includes latest data on the General Economic Outlook; Residential Alterations & Repairs; and Retail Trade Activity. The second part includes latest data on regional building material & supply store sales; and industrial production. The *NHCN* Leading Indicator runs every issue.

SAAR—Seasonally Adjusted Annual Rate
p—projection
NHCN chart
Source: Merrill Lynch Economics for *NHCN*

Business Watch

stocks



The home center retailer and manufacturer stock market indices are a measurement of the changes in aggregate market value compared to their value on December 11, 1987, which has been set to equal 100 on the index. Aggregate market value is the sum of each stock's price multiplied by its number of shares outstanding, adjusted to eliminate the effects of additions or deletions to the *NHCN* stock list.

Season's greetings for stocks

Home center stocks approached the holiday season with a little more cheer than at other times since the October crash. Of the 58 stocks tracked for *NHCN* by Media General, 44 increased in price during the two-week period that ended Dec. 21. Four remained unchanged, and the remainder declined in price.

The biggest winner among retail stocks was Grossman's, which increased by 54.5 percent to close at $6.38. Wickes Cos. went up 31.7 percent to $9.88, on the heels of its anouncement that it was selling its Wickes Lumber subsidiary to a management-led group.

Hechinger A, one of two classified common stocks offered by the Landover, Md.-based retail chain, increased by 31 percent to close at $19.00. And The Home Depot went up 23.4 percent to $19.75.

Lowe's increased by 11.0 percent to close at $17.63, at a time when it was announcing the pending closing of a number of its stores in Texas and North Carolina.

As for retail losers, Pay 'N Pak declined 17.8 percent to $12.13. Standard Brands Paint also declined 14.3 percent, to $16.50. Strober Organization declined 12.5 percent to $7.00. And General Building Products declined 8.3 percent to $4.13.

Among wholesalers, Hughes Supply turned in the best performance. Its stock increased by 17.1 percent to close at $25.63.

National Home Center News

HOME CENTER MARKET SUMMARY

Company and Market	Stock Market: Price: 2-Weeks Ended 12-21-87	2-Weeks Change: Amt.	2-Weeks Change: Pct.	2-Week Range: High	2-Week Range: Low	52-Week Range: High	52-Week Range: Low	Volume: 2-Weeks Shares Traded: Total	Volume: 2-Weeks Shares Traded: % Out	Volume: 12-Week Avg. Vol. As % Out	Volume: Volume Trend Change	P/E Ratio	Indicated Divd. Rate: Amt.	Indicated Divd. Rate: Yld.	Latest Report: New Report	Latest Report: Period	Latest Report: Date Ended	Latest Quarter: Revenue: Amt.	Latest Quarter: Revenue: Chg.	Latest Quarter: Net Income: Amt.	Latest Quarter: Net Income: Chg.	Latest Quarter: E.P.S.: Amt.	Latest Quarter: E.P.S.: Chg.	Year-to-Date: Revenue: Amt.	Year-to-Date: Revenue: Chg.	Year-to-Date: Net Income: Amt.	Year-to-Date: Net Income: Chg.	Year-to-Date: E.P.S.: Amt.	Year-to-Date: E.P.S.: Chg.
	$	$	%	$	$	$	$	(100)	%	%	%	-	$	%	-	-	-	$Mil	%	$Mil	%	$	%	$Mil	%	$Mil	%	$	%
Retailers																													
Gen Bldg Prods ..... M	4.13	- .38	- 8.3	4.88	4.00	12.50	4.00	1,216	3.04	1.04	192.3	5.8	.00	.0	.....	9 mos.	08-87	19.7	16.6	.8	14.3	.19	- 17.4	49.5	21.3	1.8	38.5	.48	9.1
Grossmn's Inc ..... M	6.38	2.25	54.5	7.50	4.25	11.25	4.13	21,454	8.21	2.12	287.3	19.9	.00	.0	.....	9 mos.	09-87	316.8	7.8	9.6	NE	.44	NE	819.5	7.3	11.3	NE	.53	NE
Hechinger A ..... M	19.00	4.50	31.0	19.00	14.25	26.50	14.25	7,393	6.76	3.46	95.4	NA	.16	.8	.....		00-00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Hechinger B ..... M	18.75	3.25	21.0	19.25	15.50	26.75	15.50	632	.39	.38	2.6	16.0	.06	.3	.....	9 mos.	10-87	185.0	24.1	9.4	49.2	.27	28.6	553.6	23.5	29.2	49.0	.69	39.1
Home Depot ..... N	19.75	3.75	23.4	19.75	15.50	28.09	11.94	25,937	5.28	2.27	132.6	19.9	.08	.4	.....	9 mos.	10-87	364.3	44.9	9.7	148.7	.19	90.0	1079.7	46.4	38.1	135.2	.81	92.9
INTERCO Inc ..... N	31.63	1.63	5.4	34.00	29.50	54.00	29.50	8,439	2.12	1.28	65.6	9.2	1.60	5.1	.....	6 mos.	08-87	842.9	34.7	38.4	64.1	.90	21.6	1624.3	34.8	64.9	71.7	1.52	26.7
K mart Cp ..... N	29.63	4.63	18.5	30.25	24.88	48.38	21.63	76,508	3.90	2.01	94.0	9.0	1.16	3.9	.....	9 mos.	10-87	5973.3	5.0	110.1	26.1	.54	22.7	17872.0	5.9	371.0	24.8	1.82	22.1
Lowe's Cos ..... N	17.63	1.75	11.0	18.00	15.88	32.75	15.25	15,890	4.01	1.64	144.5	11.2	.44	2.5	.....	9 mos.	10-87	645.6	8.6	16.6	32.8	.42	35.5	1939.8	8.6	52.3	16.0	1.32	13.8
Nall Hardgoods ..... M	4.13	.13	3.1	4.25	3.75	10.00	3.75	480	3.54	1.30	172.3	6.3	.00	.0	NEW	9 mos.	10-87	10.7	27.4	- .1	- 100.0	- .04	- 100.0	33.1	28.3	.4	- 20.0	.31	- 11.4
Nall Lumber ..... M	3.00	- .25	- 7.7	3.38	3.00	7.50	3.00	941	1.67	.56	198.2	NE	.00	.0	NEW	*	10-87	NC	NC	NC	NC	NC	NC	120.9	NC	.5	NC	.08	NC
Pay n Pak ..... N	12.13	- 2.63	- 17.8	14.63	12.13	21.50	10.88	806	.81	.73	11.0	12.1	.00	.0	.....	6 mos.	08-87	112.4	3.4	3.3	200.0	.33	200.0	227.8	6.5	7.7	126.5	.77	126.5
Payless Cash ..... N	11.25	1.50	15.4	11.63	9.88	26.88	9.63	14,681	4.24	1.58	168.4	9.4	.16	1.4	.....	9 mos.	08-87	488.9	16.7	11.1	- 17.2	.32	- 17.9	1310.8	16.8	30.8	- 1.9	.89	- 2.2
Scotty's Inc ..... N	12.63	- .13	- 1.0	13.25	12.38	15.88	10.00	1,059	.72	1.07	- 32.7	16.6	.52	4.1	.....	3 mos.	09-87	123.7	4.2	2.3	43.8	.16	45.5	123.7	4.2	2.3	43.8	.16	45.5
Sears, Roebuck ..... N	34.88	4.63	15.3	35.38	30.13	59.50	26.00	94,354	2.50	1.37	82.5	8.1	2.00	5.7	NEW	9 mos.	09-87	12193.2	9.1	409.0	24.7	1.08	22.7	34391.2	9.8	1087.3	34.5	2.86	31.8
Std Brd Pnt ..... N	16.50	- 2.75	- 14.3	20.75	16.50	31.88	16.13	3,703	3.29	4.13	- 20.3	12.0	.00	.0	NEW	9 mos.	10-87	87.6	2.0	4.4	4.8	.38	.0	259.6	2.6	12.8	4.1	1.14	4.6
Strober Organiz ..... M	7.00	- 1.00	- 12.5	7.25	6.50	15.25	6.50	867	1.43	.80	78.8	7.4	.00	.0	.....	6 mos.	06-87	26.3	3.1	1.6	6.7	.26	- 16.1	47.6	9.7	2.6	18.2	.43	- 4.4
Wickes Cos ..... N	9.88	2.38	31.7	10.25	7.25	25.00	7.25	33,593	7.02	3.35	109.6	3.9	.00	.0	.....	9 mos.	10-87	NC	NC	18.6	- 43.6	.37	- 50.7	2644.4	- 21.3	128.7	85.2	2.62	74.7
Wolohan Lumber ..... M	10.25	1.25	13.9	10.50	8.88	18.75	7.88	1,122	1.91	1.50	27.3	7.5	.24	2.3	.....	9 mos.	09-87	66.2	12.8	2.7	42.1	.46	39.4	171.8	21.1	6.3	75.0	1.07	75.4
Zayre Corp ..... N	15.13	.75	5.2	16.38	13.63	37.00	13.50	39,467	6.96	4.87	42.9	5.5	.40	2.6	.....	9 mos.	10-87	1801.7	21.7	21.2	- 7.4	.37	- 5.1	4300.4	20.3	120.4	147.7	2.03	147.6
Wholesalers																													
Hughes Supply ..... N	25.63	3.75	17.1	25.88	21.75	30.25	19.75	777	2.34	1.59	47.2	10.2	.40	1.6	.....	9 mos.	10-87	113.2	29.7	2.5	47.1	.73	46.0	318.1	21.5	6.7	31.4	1.99	25.9
Moore Handley ..... M	4.00	- 1.50	- 27.3	5.00	4.00	9.75	3.88	414	1.66	1.05	58.1	15.4	.00	.0	.....	9 mos.	09-87	27.4	16.6	- .2	- 100.0	- .09	- 100.0	74.4	15.5	.5	- 50.0	.19	- 56.8
Lewis Palmer ..... M	7.25	1.00	16.0	7.50	6.50	9.88	5.75	1,969	4.89	2.06	137.4	19.1	.28	3.9	.....	9 mos.	10-87	58.9	- 1.8	.7	.0	.18	5.9	169.8	20.9	1.4	16.7	.36	16.1
Stanline Inc ..... M	9.25	- .38	- 3.9	9.75	8.75	13.31	6.19	67	.38	1.34	- 71.6	8.7	.31b	3.4	.....	9 mos.	07-87	15.7	- 4.3	.5	.0	.28	16.7	47.0	7.3	1.4	27.3	.76	31.0
Manufacturers																													
Am Consum Prods ..... M	9.88	.00	.0	10.50	9.75	14.25	7.88	64	.31	1.35	- 77.0	16.2	.00	.0	.....	9 mos.	09-87	11.7	27.2	.6	100.0	.28	- 17.6	31.4	21.7	1.3	160.0	.62	12.7
Am Standard ..... N	37.88	5.38	16.5	38.00	32.00	55.00	30.50	10,616	3.31	1.51	119.2	9.8	1.80	4.8	.....	9 mos.	09-87	840.1	9.4	31.2	4.3	.98	14.0	2497.9	12.1	92.0	- 42.6	2.87	- 33.1
Am Woodmark ..... M	8.25	1.50	22.2	9.13	6.50	17.13	6.50	836	1.21	.81	49.4	9.0	.00	.0	.....	6 mos.	10-87	34.3	7.5	2.4	4.3	.35	6.1	66.1	9.6	3.7	- 9.8	.54	- 14.3
Armstrng Wrld ..... N	30.50	5.38	21.4	31.50	25.25	47.38	22.50	20,562	4.34	2.12	104.7	9.9	.90	3.0	.....	9 mos.	09-87	622.3	23.0	43.9	23.3	.92	26.0	1760.0	23.6	116.9	26.7	2.46	26.8
Black & Decker ..... N	17.13	2.38	16.1	17.25	14.38	26.50	13.00	28,988	4.98	2.02	146.5	18.0	.40	2.3	.....	fiscal	09-87	502.1	14.7	15.0	581.8	.26	766.7	1934.8	8.0	55.6	102.2	.95	93.9
Boise Cascade ..... N	70.00	11.75	20.2	70.00	58.25	86.88	48.00	21,862	7.76	3.14	147.1	13.4	2.00	2.9	.....	9 mos.	09-87	997.0	5.7	50.4	278.9	1.70	347.4	2845.2	2.1	125.8	80.7	4.17	82.9
Certain-teed ..... N	26.13	1.63	6.6	26.25	24.13	45.75	24.13	2,156	1.14	.79	44.3	8.3	1.00	3.8	.....	9 mos.	09-87	309.2	1.5	19.5	- 2.0	1.03	- 1.0	866.7	2.5	48.8	4.7	2.57	4.9
Champ Intl ..... N	35.38	6.63	23.0	35.88	29.00	44.63	21.75	54,289	5.70	2.89	97.2	9.2	.80	2.3	.....	9 mos.	09-87	1199.0	7.9	88.7	39.0	.94	38.2	3457.2	3.8	299.9	120.0	3.17	128.1
Clairson Intl ..... M	6.00	.00	.0	6.25	5.50	18.25	5.00	895	1.76	1.20	46.7	10.9	.00	.0	.....	fiscal	09-87	28.2	97.2	1.2	140.0	.25	92.3	82.0	43.9	2.7	42.1	.55	7.8
Cooper Indus ..... N	55.50	8.50	18.1	56.38	46.75	74.50	39.00	19,003	3.80	1.71	122.2	16.7	1.68	3.0	.....	9 mos.	09-87	881.3	7.0	44.4	17.8	.88	14.3	2577.0	- .5	117.4	17.2	2.35	14.1
DeSoto Inc ..... N	21.63	.00	.0	21.75	21.00	43.75	21.00	1,716	4.32	1.77	144.1	7.5	1.40	6.5	NEW	9 mos.	09-87	99.2	- 7.9	1.9	NE	.47	NE	308.2	- 8.3	10.9	211.4	2.74	275.3
Emhart Corp ..... N	20.63	3.13	17.9	22.38	17.25	26.63	15.50	10,634	1.70	1.02	66.7	13.4	.80	3.9	.....	9 mos.	09-87	558.3	18.1	23.3	NE	.37	NE	1789.9	16.5	80.1	NE	1.28	NE
Georgia Pacific ..... N	35.00	5.00	16.7	35.13	29.75	52.75	22.75	51,218	4.70	2.32	102.6	9.0	1.20	3.4	.....	9 mos.	09-87	2424.0	27.0	118.0	21.6	1.10	27.2	6974.0	17.1	346.0	62.4	3.16	62.9
Insilco Corp ..... N	16.00	1.75	12.3	18.00	14.00	26.13	14.00	9,453	4.53	1.38	228.3	9.4	1.00	6.3	.....	9 mos.	09-87	195.7	.1	8.4	20.0	.40	48.1	544.3	- 5.0	26.8	5.9	1.27	11.4
Lit Pacific ..... N	27.75	2.75	11.0	28.25	24.75	39.75	21.50	9,557	2.49	1.71	45.6	9.4	.80	2.9	.....	9 mos.	09-87	531.8	30.5	42.6	91.9	1.11	91.4	1443.5	28.4	93.7	94.8	2.45	92.9
Macmillan Bloedel ..... M	18.50	3.38	22.3	18.50	16.00	23.50	9.81	18,866	1.85	1.11	66.7	NA	1.10	NA	.....	9 mos.	09-87	816.8	24.2	82.7	160.9	.77	208.0	2343.0	19.0	217.7	97.9	1.99	118.7
Manville Cp ..... N	2.38	.00	.0	2.63	2.25	5.38	1.75	7,030	2.93	1.94	51.0	.5	.00	.0	.....	9 mos.	09-87	547.8	7.2	48.6	82.0	1.75	107.1	1540.7	5.7	132.6	107.5	4.74	152.1
Masco Corp ..... N	22.63	3.38	17.5	23.63	19.25	40.88	18.75	32,593	2.46	1.56	57.7	12.4	.40	1.8	.....	9 mos.	09-87	541.0	47.4	66.7	30.0	.50	25.0	1480.0	47.7	188.0	27.0	1.42	23.5
Mor-Flo Inds ..... M	5.75	- .75	- 11.5	6.75	5.75	14.38	5.75	208	.84	.56	50.0	NE	.01	.2	.....	9 mos.	09-87	49.1	4.0	- 1.1	- 100.0	- .44	- 100.0	154.4	4.4	- .4	- 100.0	- .14	- 100.0
Newell Co ..... N	27.88	5.88	26.7	28.00	22.13	43.00	21.13	3,010	2.62	1.00	162.0	11.5	.84	3.0	.....	9 mos.	09-87	218.8	105.8	11.2	51.4	.75	17.2	414.8	40.2	23.8	43.4	1.80	16.9
Norfolk Inc ..... N	7.13	.13	1.8	7.38	5.50	17.38	5.00	9,090	5.77	2.48	132.7	11.9	.10	1.4	.....	9 mos.	09-87	352.5	23.3	.2	- 97.1	.01	- 98.5	975.9	45.0	11.4	- 58.8	.71	- 73.3
Owens Corn ..... N	16.00	3.25	25.5	16.75	12.00	32.38	9.00	29,404	7.85	3.75	109.3	NA	.00	.0	.....		00-00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Ply-Gem ..... A	11.00	1.88	20.5	11.25	9.13	18.13	9.00	3,867	3.46	1.57	120.4	9.9	.12	1.1	.....	9 mos.	09-87	84.0	41.9	3.4	112.5	.30	87.5	236.7	40.1	10.5	75.0	.91	26.4
Pope & Talbot ..... N	17.88	5.13	40.2	17.88	12.63	27.25	9.75	8,112	6.75	2.57	162.6	7.3	.44	2.5	.....	9 mos.	09-87	113.5	45.3	7.0	62.8	.59	63.9	320.1	40.2	20.9	182.4	1.74	180.6
Potlatch Cp ..... N	27.00	2.63	10.8	27.88	24.25	41.88	21.00	6,178	2.30	.97	137.1	9.2	.92	3.4	.....	9 mos.	09-87	246.9	- 1.2	22.6	35.3	.80	35.5	739.4	.9	62.7	25.9	2.23	26.0
PPG Inds ..... N	35.00	4.13	13.4	35.63	30.63	53.50	27.50	29,525	2.47	1.53	61.4	11.9	1.20	3.4	.....	9 mos.	09-87	1260.5	10.5	91.3	10.7	.76	10.1	3655.0	10.6	280.6	15.2	2.34	14.1
Sherwin-Wms ..... N	24.75	4.00	19.3	26.00	20.88	38.50	20.13	9,698	2.18	1.33	63.9	9.9	.56	2.3	.....	9 mos.	09-87	512.3	16.9	36.4	4.9	.81	14.1	1384.4	15.1	77.0	.3	1.71	13.2
Stanley Works ..... N	25.13	2.38	10.4	26.50	22.50	36.63	21.25	5,864	1.34	.70	91.4	13.0	.88	3.5	.....	9 mos.	09-87	454.3	17.0	20.9	4.0	.48	.0	1304.6	17.0	60.4	9.2	1.39	5.3
Thos Inds ..... N	15.88	1.88	13.4	16.63	13.88	21.53	13.81	1,003	.96	.73	31.5	10.7	.65b	4.1	.....	9 mos.	09-87	82.4	13.3	3.7	76.2	.36	71.4	241.4	9.4	12.3	28.1	1.18	28.3
Triangle Ind ..... N	25.63	1.25	5.1	25.75	23.50	44.00	22.50	8,181	3.60	1.56	130.8	11.5	.12	.5	NEW	9 mos.	09-87	1238.9	75.5	45.6	82.4	1.59	- 15.4	3340.3	77.3	90.0	88.7	3.09	- 9.9
Union Camp ..... N	36.50	5.13	16.3	37.25	31.75	48.19	26.00	26,562	3.61	1.93	87.0	14.0	1.16	3.2	.....	9 mos.	09-87	583.2	13.0	56.5	54.8	.77	54.0	1697.8	12.4	148.5	70.5	2.02	69.7
USG Corp ..... N	29.63	4.38	17.3	32.75	25.50	55.88	23.50	32,723	6.39	4.26	50.0	6.5	1.12	3.8	.....	6 mos.	09-87	752.8	15.1	44.0	7.1	.85	30.8	2172.3	7.1	187.1	10.7	3.69	36.1
Waller, Jim ..... M	59.50	.25	.4	59.88	58.25	62.38	35.81	698	.22	.20	10.0	14.5	1.20	2.0	NEW	fiscal	09-87	709.4	7.1	83.5	6.8	1.87	46.1	2429.2	2.6	166.1	19.8	4.09	10.2
Waxman Ind ..... M	8.00	- .50	- 5.9	8.50	7.25	13.25	7.25	1,728	2.73	1.96	40.0	11.6	.10	1.3	.....	3 mos.	09-87	34.8	30.3	1.3	62.5	.21	75.0	34.8	30.3	1.3	62.5	.21	75.0
Weyerhaeuser ..... N	41.38	7.25	21.2	41.75	34.25	60.00	19.00	46,692	3.42	1.81	89.0	13.9	1.50	3.6	.....	9 mos.	09-87	1819.8	30.2	126.1	102.7	.89	102.3	5206.3	25.9	317.2	75.6	2.27	87.6

All Data are based on sources believed to be reliable, but its accuracy is not guaranteed. Every effort will be made to correct errors, when discovered, in future issues.

Reporting period
3 mos.—First quarter of fiscal year
6 mos.—First six months of fiscal year
9 mos.—First nine months of fiscal year
Fiscal—Fiscal year
NEW—New report since last issue

Last 52 Weeks

General Field Footnotes
NA—Not available or not applicable
NC—Data required for calculation currently incomplete in our files
NE—Negative earnings invalidate calculations
NM—No meaningful figure
a—Under dividend amount, indicates a stock dividend
b—Indicates cash plus stock dividend when applied to dividend amount column

P/E Ratio—Price/earnings ratio
E.P.S.—Earnings per share
Market
N—New York Stock Exchange
A—American Stock Exchange
O—NASDAQ Over-the-Counter
M—NASDAQ National Market

"Two-week average volume equals the number of shares traded divided by the number of shares outstanding during the latest two-week period. Twelve-week average volume equals the number of shares traded divided by the number of shares outstanding over the previous 12 weeks.

All earnings data and all related calculations using earnings data use primary earnings from total operations and after taxes. Earnings are before extraordinary items, when such items are applicable.

Data and Table Provided by Media General Financial Services Inc., Richmond, Va. 23219